BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking Concerning Energy Efficiency Rolling Portfolios, Policies, Programs, Evaluation, and Related Issues.

Rulemaking 13-11-005 (Filed November 14, 2013)

MARIN CLEAN ENERGY'S COMMENTS ON PROPOSED DECISION REGARDING ASSESSMENT OF ENERGY EFFICIENCY POTENTIAL AND GOALS AND MODIFICATION OF PORTFOLIO APPROVAL AND OVERSIGHT PROCESS

Jana Kopyciok-Lande Strategic Policy Manager MCE Clean Energy 1125 Tamalpais Avenue Telephone: (415) 464-6044 Facsimile: (415) 459-8095 E-Mail: jkopyciok-lande@mcecleanenergy.org

May 6, 2021

Subject Matter Index

I.	Introduction 1
II.	PD Section (2) – Potential and Goals Metrics 3
a.	The PD Should be Clarified to Recognize that Non-IOU PAs Do Not Set Their Goals Based on the Potential and Goals Study
III.	PD Section (4) – Cost-Effectiveness Requirements and Budget Limitations 4
a.	The Commission Should Clarify that Both IOUs and CCAs Must Meet or Exceed the 1.0 TRC for Resource Acquisition Programs Without Considering Codes & Standards ("C&S") Programs
b.	The Commission Should Continue to Consider Use of the PAC Test Instead of the TRC Test to Evaluate EE Portfolios' Cost-Effectiveness
c.	New Reporting Metrics Should be Developed for All Portfolio Segments to Better Align with the New EE Portfolio Directives
IV.	PD Section (5) – Portfolio Processes 7
a.	The Commission Should Avoid the Hybrid Approach in the PD and Instead Adopt the CAEECC's Proposal of a Four-Year Portfolio Application Only7
b.	The Commission Should Require Biennial Updates to the EE Portfolios Be Primarily Provided Via an Informal CAEECC Stakeholder Process Rather than an Advice Letter9
c.	Implementation Plan ("IP") Review Processes Should Continue to Follow the Process Described in D.15-10-028
d.	Joint Cooperation Memoranda Should Be Included with PAs' Annual Reports11
e.	The Commission Should Direct that Applicable Templates Be Finalized by July 30, 2021 in Order to Provide PAs Adequate Time to Prepare Complex Applications
V.	PD Section (6) – Interim/Transition Process 12
a.	The Final Decision Should Clarify that PAs May Use the 2020 Avoided Cost Calculator for the PY 2022/23 ABAL
b.	The Final Decision Should Clarify that ABAL Submissions May Be Provided to the CAEECC After Submittal Rather than Immediately Before
c.	MCE Should Be Allowed to Establish Updated Savings Goals and New TSB Goals in its PY 2022/23 ABAL
VI.	PD Section (7) – AB 841 Interface with Portfolio Process 13
a.	Savings from the School EE Program Can Count Towards the IOUs' Savings Goals but These Savings Cannot Be Considered in the IOUs' CE Calculations
VII.	Conclusion 14

Table of Authorities

Statutes

Cal. Pub. Util. Code § 381 (b)(1)	1
Commission Decisions	
D.14-01-033	5
D.14-10-046	5
D.15-10-028	
D.18-05-041	
D.19-08-034	

I. Introduction

In accordance with the Rules of Practice and Procedure of the California Public Utilities Commission ("Commission"), Marin Clean Energy ("MCE") submits these comments on the Proposed Decision entitled Assessment of Energy Efficiency Potential and Goals and Modification of Portfolio Approval and Oversight Process ("Proposed Decision" or "PD").¹ The PD addresses potential and goals policy issues, largely approves the California Energy Efficiency Coordinating Committee's ("CAEECC") proposal ("CAEECC Proposal"),² sets forth a process for mid-cycle energy efficiency ("EE") program changes, and implements Assembly Bill ("AB") 841. MCE supports the Proposed Decision, which reflects extensive and thoughtful consideration of the issues. There are a few foundational elements of the PD that MCE believes will set the stage for significant modernization and advancement of EE programming in California.

First, MCE wholeheartedly agrees with the Commission's sound legal analysis and its conclusion that Code § 381 (b)(1) does not require that all ratepayer-funded EE be cost-effective. The Commission correctly finds that Code § 381 (b)(1) is a budget "floor" and not a limitation on the Commission requiring additional EE expenditures where warranted. This statutory interpretation is strongly supported by the overall context of California's EE statutory provisions.

MCE strongly supports the notion clearly expressed through the PD that EE and conservation investments that go beyond the budget "floor" should be funded under Program Administrators' ("PAs") EE programs if they provide value to ratepayers and advance important public policy goals, even if the costs may sometimes exceed the benefits captured under the current cost-effectiveness tests. This interpretation is in alignment with MCE's stated mission "to address climate change by reducing energy-related greenhouse gas emissions with renewable energy and energy efficiency at cost-competitive rates while offering economic and workforce benefits, and

 ¹ Rulemaking ("R".) 13-11-005, Proposed Decision addressing Assessment of Energy Efficiency Potential and Goals and Modification of Portfolio Approval and Oversight Process, issued April 16, 2021 ("Proposed Decision" or "PD").
 ² The Natural Resource Defense Council's Motion Seeking Commission Ruling and Comment Period on

² The Natural Resource Defense Council's Motion Seeking Commission Ruling and Comment Period on the California Energy Efficiency Coordinating Committee Proposal for Improvements to the Energy Efficiency Portfolio and Budget Approval Process Working Group Report in R.13-11-005, filed April 24, 2020 (hereinafter "NRDC Motion"), Attachment A, Proposal for Improvements to the EE Portfolio and Budget Approval and Implementation Process ("CAEECC Proposal").

creating more equitable communities."³ Furthermore, it is a strong signal that ratepayer-funded EE remains a top priority in California's energy landscape, which MCE wholly endorses.

Second, MCE strongly supports the segmentation of the EE portfolio into resource acquisition ("RA"), market support and equity programs. As the PD highlights, the multiple policy objectives of the EE portfolios cannot be appropriately supported by a single cost-effectiveness ("CE") metric.⁴ MCE supports the PD's establishment of a budget cap of 30% of the total budget of each PA to be spent on market support and equity programs. This is a reasonable level of funding to support important market support and equity initiatives while limiting spending on programs that may not meet the CE threshold.

MCE offers the remainder of these comments to seek clarification and to recommend certain modifications aimed at further refining and clarifying EE programming and approval procedures. In sum, these comments recommend the following clarifications or modifications:

- Clarify that Non-IOU PAs do not set their goals based on the potential and goals ("P&G") study;
- Apply parallel cost-effectiveness standards to IOUs and Community Choice Aggregator ("CCA") PAs;
- Consider using the Program Administrator Cost ("PAC") test rather than the Total Resource Cost ("TRC") test to evaluate EE portfolio cost-effectiveness;
- Ensure the development of reporting metrics for all portfolio segments that better align with the new portfolio directives;
- Avoid a hybrid approach and instead adopt the CAEECC proposal of a four-year portfolio application only;
- Require biennial updates to the EE portfolios be primarily provided via an informal CAEECC process rather than an advice letter;
- Continue Implementation Plan ("IP") review processes as described in D.15-10-028;
- Joint Cooperation Memoranda ("JCMs") should be included with PAs' Annual Reports;
- Applicable templates for the PAs' application must be finalized by July 30 2021;
- Allow PAs to use the 2020 Avoided Cost Calculator ("ACC") for the program year ("PY") 2022 and 2023 Annual Budget Advice Letter ("ABAL") filing;
- Clarify that the PY 2022/23 ABAL submissions may be provided to the CAEECC after submittal rather than before;
- Permit MCE to present updated savings goals and new total system benefits ("TSB") goals in its PY 2022/23 ABAL; and

³ "Our Mission," available at <u>http://mcecleanenergy.org/about-us/</u>.

⁴ PD at pp. 13-14.

• Savings from the School Energy Efficiency Stimulus Program established by AB 841 can count towards the IOUs' savings goals but these savings cannot be considered in the IOUs' cost-effectiveness calculations.

II. PD Section (2) – Potential and Goals Metrics

MCE strongly supports the PD's shift to a TSB metric to set EE goals. This change will better tie PA goals directly to the avoided cost value of EE savings and will allow PAs to focus efforts on longer duration and more effective measures and programs.⁵ For all of the reasons listed in the PD, MCE agrees that moving to a TSB metric in goal setting will provide PAs more flexibility to deliver more benefits and to ensure that all values of EE are properly accounted for. However, MCE urges the Commission to clarify this portion of the PD in two important ways.

a. The PD Should be Clarified to Recognize that Non-IOU PAs Do Not Set Their Goals Based on the Potential and Goals Study.

The PD states that "program administrators will be required to submit their new portfolio applications designed to meet a TSB goal that will be adopted in this proceeding later this year."⁶ Those goals have now been provided for comment via the Draft 2021 Energy Efficiency Potential and Goals Study ("P&G Study"), released on Friday April 23, 2021 in this proceeding. However, not *all* PAs will use this study to set their goals – only IOUs have their goals set by the P&G Study. The PD should clarify this point in several places.

Regional Energy Networks ("RENs") and CCAs do not have explicit energy efficiency savings goals set by the CPUC every two years through a P&G Study. Instead, non-IOU PA budgets and goals are developed through an iterative, bottom-up approach. This process is datadriven and involves MCE's implementers, technical consultants and staff. MCE's proposed goals are then reviewed by stakeholders in the respective proceedings and adopted by a vote of the Commission, or staff where the Commission has delegated that authority. This process provides a venue and appropriate public process for independent review and stakeholder input.

Furthermore, the P&G Study "produces results at the IOU level of geographic granularity."⁷ It explicitly "does not provide further granularity at the climate zone or county level or for the service territories of regional energy networks (RENs) or community choice aggregators

⁵ *Id*. at p. 9.

⁶ *Id.* at p. 10.

⁷ Administrative Law Judge's Ruling Inviting Comments on Draft Potential and Goals Study, Appendix A 2021 Energy Efficiency Potential and Goals Study – DRAFT, issued on April 23, 2021, at p. 7.

(CCAs)."⁸ Thus, the P&G Study is not the appropriate vehicle to set non-IOU PA goals as it does not provide sufficiently granular locational details on potential and goals (e.g., on a county level). It is just not possible for non-IOUs to utilize these studies.

Because non-IOU PAs are not subject to the P&G Study process, there is currently no venue determined for MCE to propose to update its goals outside of a new application filing with a business plan. This is problematic as MCE's current goals were approved in 2018 and are already outdated, due to the impacts of the COVID-19 pandemic and other market changes. The PD therefore should also clarify that non-IOU PAs shall be allowed to update their goals on a regular basis.

Specifically, MCE proposes the following opportunities for non-IOUs to update their portfolio goals in the future. First, MCE recommends that non-IOU PAs be able to update their portfolio goals for the transition years (i.e., PYs 2022 and 2023) via the ABAL filing due on September 1, 2021. Second, MCE proposes that non-IOU PAs be allowed to propose their own goals every four years through the portfolio filing process. Third, if major changes to the portfolio goals are identified half-way through the four-year portfolio cycle due to changes in technical inputs, a non-IOU PA can submit a "trigger-based" advice letter ("AL") to update its goals. MCE describes the proposed process for this "trigger-based" AL further in Section IV(b).

III. PD Section (4) – Cost-Effectiveness Requirements and Budget Limitations

MCE also provides comments to ensure that utility and CCA CE standards are applied fairly and do not cause competitive harm. Finally, MCE continues to encourage the use of the PAC test because it is a superior metric for measuring CE.

a. The Commission Should Clarify that Both IOUs and CCAs Must Meet or Exceed the 1.0 TRC for Resource Acquisition Programs Without Considering Codes & Standards ("C&S") Programs.

MCE supports the PD's directive that requires the PAs "to show the TRC and PAC ratios for all segments of the portfolio, separately and combined, including separately showing the portfolio cost- effectiveness with and without the C&S segment of the portfolio."⁹ MCE also supports the PD's directive that a PA's RA segment must meet or exceed a TRC of 1.0.¹⁰ However,

⁸ Id.

⁹ PD at p. 21.

¹⁰ *Id*.

it is not clear from the PD whether an IOU's RA portfolio must meet or exceed a TRC of 1.0 with or without the C&S programs included.

C&S programs are implemented as statewide programs. CCAs are excluded from any savings attribution achieved through statewide program, which are some of the most cost-effective programs under the IOU portfolios.¹¹ As an example, PG&E's 2020 claimed portfolio TRC without C&S programs was 0.49; with C&S programs the TRC increased to 2.30.¹² In contrast, all CCA claimed TRC savings exclude C&S programming. The Commission should clarify that both IOUs and CCAs must meet or exceed the 1.0 TRC for the RA segment without considering C&S programs to ensure parity between IOU and CCA CE requirements.

Without clarification, this ambiguity creates a significant divide in the evaluation of IOU and CCA portfolios. Previous Commission directives require that the same cost-effectiveness standards be applied to CCAs and IOU PAs.¹³ This can be easily remedied if the Commission ensures that IOUs meet or exceed the 1.0 TRC for the RA sub-portfolio without considering C&S programs. Without this direction, IOUs could achieve CE thresholds by utilizing their ability to offer C&S advocacy programming that other PAs are not able to provide. This sets up a potentially anti-competitive advantage for IOU PAs and eliminates the incentives for the IOUs to administer cost-effective programs on equal footing to CCAs, both of which should be avoided. MCE therefore respectfully requests that the final Decision explicitly order that IOUs must meet or exceed the 1.0 TRC for the RA sub-portfolio without considering C&S programs.

b. The Commission Should Continue to Consider Use of the PAC Test Instead of the TRC Test to Evaluate EE Portfolios' Cost-Effectiveness.

The PD strikes a reasonable balance by requiring IOU and CCA RA portfolios to be costeffective on an ex-ante basis. In order to demonstrate cost effectiveness, PAs must show that the RA segment of their portfolio "with all resource acquisition programs' costs and benefits combined together" has a TRC ratio of at least 1.0 or greater.¹⁴ While MCE conceptually agrees that for the RA program portfolio, benefits should be equal to or greater than costs, the TRC has policy

¹¹ D.18-05-041 at pp. 114-115.

¹² See PG&E's 2020 portfolio performance per the California Energy Data and Reporting System ("CEDARS") website dashboard.

¹³ See D.14-01-033, OP 3 at p. 50 (Applying IOU cost effectiveness standards to CCAs); D.14-10-046 at pp. 109-110 (Setting a TRC ratio of 1.25 for IOUs and CCAs). ¹⁴ PD at p. 21.

implications that should be avoided. The TRC reduces cost effectiveness, and thus viability of projects, based on participant contributions. These individual contributions do not impair the ratepayer or the Program Administrator and should not inhibit projects. In fact, the opposite is true; removing the participant costs from cost-effectiveness creates an incentive for PAs to accomplish projects with the lowest possible program rebates. While such an approach may drive more projects to wealthier participants, the new equity category of programs can provide higher rebates when needed. The incentive to tailor rebates is significantly muted when utilizing the TRC because both programmatic and participant costs are equally weighted. Instead, the Commission should adopt the PAC test to evaluate cost-effectiveness on an ex-ante basis.

Along with the TRC test, the PAC test is one of the most commonly used tests for EE program planning purposes and is frequently used in a resource planning context to evaluate EE investments against supply-side alternatives.¹⁵ This means the PAC test is also better suited for evaluating EE against supply side resources and therefore better effectuates Commission's stated intent "to have the resource acquisition programs further optimized within the Commission's IRP process in the future."¹⁶

Furthermore, the RA program portfolio would be systematically disadvantaged by the asymmetrical inclusion of participant *costs* in the TRC while failing to include participant *benefits* such as non-energy benefits ("NEBs"). MCE understands that more work needs to be done to determine which NEBs drive consumer decisions and to estimate the value of those NEBs. Therefore, given the options before us, MCE believes switching from the TRC to the PAC is an appropriate way to address the problem efficiently in the interim. The PAC test only considers costs and benefits incurred by the PA, not those incurred by the customer, and consequently provides a much better "apples to apples" comparison of the benefits and costs of EE programs.

MCE acknowledges that the PD does not address this issue. However, this issue has been raised by multiple stakeholders in the past. If the Commission does not consider this issue to be within the scope of this Decision, it should indicate through which procedural avenues this issue can be addressed prior to the filing of business plans in February 2022.

 ¹⁵ Energy Efficiency Guidebook for Public Power Communities at p. 1, available at <u>http://ceeep.rutgers.edu/wp-content/uploads/2013/11/EEGuidebook2009.pdf.</u>
 ¹⁶ PD at p. 16.

c. New Reporting Metrics Should be Developed for All Portfolio Segments to Better Align with the New EE Portfolio Directives.

The PD directs all PAs to develop metrics and criteria for evaluating progress of market support and equity programs in the absence of strict CE limitations.¹⁷ MCE agrees that new metrics should be developed but adds that new metrics should be developed for *all* portfolio segments, not just equity and market support, as current metrics are not aligned with the new direction of the EE portfolio.

MCE proposes that new reporting metrics for all three segments should be developed through a CAEECC Working Group. This will ensure uniform metrics between PAs and that stakeholder input is considered in the development of the metrics. The new metrics should be based upon the metrics that are currently being reported on but they must be updated to accurately reflect segmentation, updated Commission priorities, valuation of load shifting, and use of TSB for goal setting and evaluation.

After stakeholder input is provided via CAEECC, the Commission should require the PAs to propose updated reporting metrics to be approved through a Tier 2 AL. In previous portfolio cycles, metrics were approved and included as an attachment to the Commission's Decision approving Business Plans.¹⁸ This means however, that if any mistakes are subsequently discovered, or improvements subsequently identified, the only way to change the metrics is to file a petition for modification of the prior decision. By explicitly allowing for updates to metrics in an advice letter, the Energy Division ("ED") and PAs can more easily update metrics over time as they gain experience with the new EE construct. This will allow for more flexibility and improvement over time through iteration and applying lessons learned.

IV. PD Section (5) – Portfolio Processes

MCE generally supports the updated portfolio process but encourages the Commission to adhere more closely to the CAEECC Proposal, which eliminates the separate business plan application and incorporates most updates via informal stakeholder processes.

a. The Commission Should Avoid the Hybrid Approach in the PD and Instead Adopt the CAEECC's Proposal of a Four-Year Portfolio Application Only.

MCE appreciates the Commission's recognition that the current ten-year rolling portfolio cycle with annual cost recovery authorization has not provided the expected efficiency benefits

¹⁷ *Id.* at p. 22.

¹⁸ D.18-05-041, Attachment A – Adopted Common Metrics for Energy Efficiency Business Plans.

because ABALs have become contested every year and are not the ministerial filings once envisioned.¹⁹ The CAEECC Proposal sought to eliminate annual ABALs and the high-level business plan filing every eight years in favor of a more detailed four-year portfolio filing. Through the portfolio application, EE PAs would articulate their overarching strategy to support the state's EE goals and objectives, describe programmatic plans for each sector, provide CE forecasts, and seek formal EE funding approval through detailed testimony.²⁰ However, the PD instead adopts a "hybrid approach" that keeps both "a high-level rolling portfolio with a business plan, while also adopting many elements from the CAEECC Proposal for a four-year portfolio filing."²¹ MCE respectfully urges the Commission to eliminate the separate eight-year business plan filing requirements and instead require PAs to include an eight-year strategic plan in each four-year EE portfolio application filing.

The PD explains that the Commission is interested in continuing to receive and provide input on the PAs' high-level strategic plans, to better guide energy efficiency portfolio and program focus over the coming near-decade.²² However, PAs can and should provide this same information every four years in each EE portfolio application cycle. Further, allowing PAs to update their eight-year plan every four years provides more flexibility to adapt to changing market conditions and to incorporate lessons learned in the first four years of the long-term plan. In addition, MCE is concerned that the filing of two concurrent applications every eight years would be confusing to stakeholders, the Commission, implementers and interested customers. Consolidating these applications should greatly streamline the proceeding activity that must be managed by the Commission.

To be clear, MCE strongly supports the Commission's adoption of CAEECC's recommendation that PA budgets, CE requirements, and goals be set and evaluated over a fouryear timeframe instead of the current annual process. MCE also supports the PD's stated intent to provide market certainty for EE by setting an eight-year budget cap. However, MCE has doubts that the eight-year business plan approval will actually result in budget certainty. Current practice approves a 10-year budget cap in a Business Plan filing, but actual budgets still have to be approved

¹⁹ PD at p. 26.

²⁰ CAEECC Proposal at p. 6.

²¹ PD at p. 27.

²² *Id.* at p. 28.

via the ABAL process. Given that actual budgets under the PD's new approach will also need to be explicitly approved every four years and, absent Commission action, existing funding levels will continue, MCE believes that the additional value of the eight-year business plan filing is very limited.

For these reasons, the Commission should remove the PD's requirement that PAs file an eight-year business plan and should clarify that each EE portfolio application must include the eight-year strategic plan and an eight-year budget similar to what is currently approved in a business plan application.

b. The Commission Should Require Biennial Updates to the EE Portfolios Be Primarily Provided Via an Informal CAEECC Stakeholder Process Rather than an Advice Letter.

The PD adopts the CAEECC Proposal, consistent with the various California Energy Commission ("CEC") and Commission planning processes, to require that EE potential and goals be updated every two years, in the odd years.²³ However, the PD significantly departs from the CAEECC Proposal by requiring that PAs file a Tier 2 AL once every two years in the odd years, in September, "to either true-up the portfolio and budgets to the new goals if a portfolio has just been approved, or modify the portfolio in the middle of a cycle to take into account updated goals."²⁴

First, MCE would like to point out that at this point in time, there exists no Commission directive for non-IOU PAs to update their EE goals halfway through the portfolio cycle, hence rendering the mid-cycle AL filing less relevant for non-IOU PAs. Second, the PD's biennial AL process appears to be inconsistent with the overarching goal to provide flexibility in budgets, goals, and CE requirements over a four-year timeframe under the portfolio filing. Having to re-forecast and seek re-approval every two years in an AL filing seems counterintuitive to this process.

Instead, the CAEECC Proposal outlined a process whereby PAs would provide any changes to its portfolio through annual reporting so long as such changes could be absorbed within approved budgets and existing timelines.²⁵ An AL filing would only be triggered under the CAEECC Proposal if the change caused an enumerated trigger, including (1) program closure, (2) additional budget requests, or (3) when a portfolio is not "on target" to meet its four year savings

²³ *Id.* at p. 39.

²⁴ *Id.* at p. 40.

²⁵ CAEECC Proposal at p. 10.

goals²⁶ or CE thresholds.²⁷ 'On target' is defined as a PA is reasonably able to demonstrate its ability to meet savings goals (i.e., +/-20%) and cost-effectiveness (i.e., +/-10%) targets by the end of the four-year cycle. Note that if the PA is off-target in a given year, they can reasonably "make it up" in the following year(s)."²⁸

MCE agrees that PAs should report on actual progress towards goals in the enhanced annual reports and that re-forecasting through an AL may not be needed. Instead, the re-forecasting should occur through the CAEECC process and informal reporting as suggested in the CAEECC Proposal. Under that framework, a PA's portfolio that is significantly diverging from its four-year portfolio forecast would still submit an AL to make necessary changes based on clearly identified triggers.

c. Implementation Plan ("IP") Review Processes Should Continue to Follow the Process Described in D.15-10-028.

The CAEECC Proposal recommended that detailed IPs should not be included as part of the formal EE portfolio application process but that PAs should instead continue to follow the IP review process described in D.15-10-028.²⁹ However, the PD would reject this recommendation and instead would require the IPs to be included in the four-year portfolio application itself.³⁰ MCE strongly recommends that the Commission not change the existing rules and requirements regarding IPs. The Commission should amend the PD and order that PAs will continue the IP process described in D.15-10-028, consistent with the CAEECC Proposal.

Requiring that all IPs be approved in the portfolio application would bind PAs to the program rules outlined in the IPs for four-years and eliminate a significant amount of the flexibility that is at the very heart of the rolling portfolio and the CAEECC Proposal. The CAEECC Proposal is explicitly intended to afford PAs "the flexibility to meet goals and spend authorized budgets over multiple years, recognizing natural market fluctuations and program on/off ramps."³¹ If IPs must be approved in a four-year application, then PAs are effectively locked into program design for a four-year period and cannot adjust program design based on market changes or new portfolio and/or program needs. Such flexibility is vital to the success of this framework, otherwise PAs

²⁶ Note that "savings" goals would now be updated to reference "TSB" goals.

²⁷ *Id.* at pp. 7, 10.

²⁸ *Id.* at p. 7.

²⁹ *Id.* at pp. 7-8.

³⁰ PD at p. 29.

³¹ CAEECC Proposal at p. 6.

may be foreclosed from making interim changes to IPs upon discovering programs must be adjusted to reach portfolio goals.

Furthermore, from a policy perspective, it is not clear what procedural or policy benefit would be achieved by requiring IP approval through the four-year portfolio filing. That is because most IOU programs are now being reviewed through the third-party implementation process, which includes a solicitation and AL approval process. MCE's program proposals and IPs are currently undergoing both MCE-specific Board approvals and review via the IP process as directed by D.15-10-028. The Commission has also been clear in the past that it does not expect or require PAs to seek stakeholder input on implementation plans for pre-existing programs that are not being modified.³² For new implementation plans, the current CAEECC stakeholder process is working well.

MCE therefore suggests that the Commission either remove the PD's requirement that IPs be included in portfolio applications, or alternatively, require that only current IPs be included for informational purposes and to assist the Commission in deciding on issues of proper portfolio segmentation. If the Commission takes this alternative, it should clarify that it will allow IPs to be modified throughout the portfolio cycle following the current processes set forth in D.15-10-028.

d. Joint Cooperation Memoranda Should Be Included with PAs' Annual Reports.

The PD wisely orders that PAs with overlapping offerings continue to work on and file Joint Cooperation Memoranda ("JCMs") pursuant to the requirements of D.18-05-041.³³ MCE supports maintaining this requirement, but in an effort to streamline filings and promote administrative efficiency, suggests that the JCM filing requirement henceforth should be incorporated into the PA's Annual Report to be filed in May of each year.³⁴ According to D.18-05-041, "PAs with overlapping service areas must submit updated joint cooperation memos via a Tier 2 advice letter no later than June 15, *prior to submitting their ABALs*."³⁵ As noted in the quoted text, the foundational purpose of requiring the JCM filing in June was to ensure approval prior to PAs filing their ABALs. Since ABALs will not be required moving forward, the

³² D.18-05-041 at p. 16.

³³ PD at p. 30.

³⁴ *Id.* at OP 12.

³⁵ D.18-05-041 at p. 123 (emphasis added).

Commission should order in its final Decision that the JCM process be moved to coincide, and be integrated into, the Annual Report process in May.

e. The Commission Should Direct that Applicable Templates Be Finalized by July 30, 2021 in Order to Provide PAs Adequate Time to Prepare Complex Applications.

MCE appreciates that the Commission has included draft templates for both the business plan and the portfolio filing as Attachments A and B to the PD. However, MCE recommends the Commission direct Staff to work with stakeholders prior to filing any revised templates and to publish final templates by July 30, 2021. This timeframe is necessary to give PAs adequate time to iterate upon and prepare robust application filings.

V. PD Section (6) – Interim/Transition Process

MCE appreciates the Commission's recognition that there is not enough time for new PA applications to be completed by September 1, 2021 and its decision to move the deadlines to February 15, 2022 for programs to start in PY 2024.³⁶ MCE also agrees with the PD's directive that both PYs 2022 and 2023 can be combined into one ABAL and that CE ratios demonstrating a TRC of 1.0 must only be met for the RA segment of the portfolio on a forecast basis.³⁷ However, MCE makes the following recommendations to clarify and slightly modify the PD's proposal.

a. The Final Decision Should Clarify that PAs May Use the 2020 Avoided Cost Calculator for the PY 2022/23 ABAL.

MCE recommends that the final Decision clarify that PAs may use the 2020 version of the avoided cost calculator ("ACC") adopted in Resolution E-5077, not the upcoming 2021 minor ACC update, to develop the 2022/2023 ABAL filing. Last year, the ACC was not adopted and fully incorporated into the cost-effectiveness tool ("CET") until mid-July.³⁸ Such a timeframe makes it very challenging for PAs to appropriately adjust their portfolios for a September 1, 2021 filing deadline (and a potential presentation to CAEECC by early August). Furthermore, Table 3 of the PD specifies that the 2020 ACC should be used to develop the applications due in February 2022.³⁹ If PAs are able to use the 2020 (major) ACC instead of the 2021 (minor) ACC for the

 $^{^{36}}$ PD at pp. 48-49. (Note MCE continues to support the elimination of a separate Business Plan filing, *see* Section IV(a), above.)

³⁷ *Id.* at pp. 50-51.

³⁸ Resolution E-5077 at p.1 adopted the ACC on June 25, 2020. The CET was updated with the ACC and became available for use on July 16, 2020.

³⁹ PD at p. 39.

business plan and portfolio applications, the same ACC version should be used for the earlier ABAL filing.

b. The Final Decision Should Clarify that ABAL Submissions May Be Provided to the CAEECC After Submittal Rather than Immediately Before.

While the PD is silent on the subject, MCE also recommends that the final Decision clarify that the PY 2022/23 ABAL submission is not required to go through the typical CAEECC stakeholder review process. CAEECC members have noted in the past that presenting the ABAL to CAEECC a few weeks before the ABAL submission is not effective. It is already too late in the process to incorporate meaningful feedback into the ABAL submissions and an earlier CAEECC presentation is not possible due to condensed timelines. Instead, MCE proposes that PAs present their ABAL submissions to CAEECC shortly after the submission deadline to provide stakeholders additional details on the submission.⁴⁰

c. MCE Should Be Allowed to Establish Updated Savings Goals and New TSB Goals in its PY 2022/23 ABAL.

As mentioned above, MCE's goals are currently set per the 2019 "true-up" ABAL. These energy savings goals do not accurately reflect changed market conditions, especially considering the Covid-19 pandemic. Furthermore, MCE does not have a TSB goal determined for its EE portfolio. The Commission should thus clarify in the final Decision that MCE may present updated energy savings goals and new TSB goals for PYs 2022 and 2023 in its ABAL submission due on September 1, 2021.

VI. PD Section (7) – AB 841 Interface with Portfolio Process

a. Savings from the School EE Program Can Count Towards the IOUs' Savings Goals but These Savings Cannot Be Considered in the IOUs' CE Calculations.

The PD finds, regarding savings from the School Energy Efficiency Stimulus Program established by AB 841 ("School EE Program"), "that the IOUs should track and report expenditures (costs) and energy savings (benefits) from the Stimulus Program separately from their portfolio cost-effectiveness calculations."⁴¹ MCE agrees with this statement. However, the PD also states that "the IOUs should not include these expenditures as costs in their portfolio cost-effectiveness calculations" although "[s]avings from the Stimulus Program, so long as they are tracked and reported, can always be incorporated **into portfolio cost-effectiveness calculations**

⁴⁰ CAEECC Proposal at p. 15.

⁴¹ PD at p. 54.

[emphasis added], if and as deemed necessary in the future."⁴² Because the latter statements appear to be in tension with the prior finding by treating savings differently from costs, MCE requests that the Commission clarify that IOUs must track and report both costs and benefits from the School EE Program separately from their portfolio cost-effectiveness calculations. It is MCE's understanding that savings from the School EE Program can count towards the IOU's *savings goals* but that these savings cannot be considered in the IOU's *CE calculations*.

If not clarified, MCE is concerned that this inconsistency would lead to skewed outcomes. Allowing the IOUs to incorporate savings benefits from the School EE Program without requiring them to also incorporate the costs associated with that program into the CE calculations would produce misleading CE ratios, falsely inflating IOU CE values under the TRC test. Asymmetric calculations that apply to IOUs but not to CCAs in turn would disadvantage the CCAs. Because the CCAs are required to account for all costs in their portfolio CE calculation, CCA programs would have lower TRC test results in comparison to inflated IOU results.

For these reasons, the Commission should clarify that savings from the School EE Program can count towards the IOU's *savings goals* but that these savings cannot be considered in the IOU's *CE calculations*.

VII. Conclusion

MCE thanks Commissioner Randolph, Administrative Law Judge Fitch, and Administrative Law Judge Kao for their thoughtful consideration of these important issues.

Respectfully submitted,

<u>/s/ Jana Kopyciok-Lande</u> Jana Kopyciok-Lande Strategic Policy Manager MCE Clean Energy 1125 Tamalpais Avenue San Rafael, CA 94901 Telephone: (415) 464-6044 Facsimile: (415) 459-8095 E-Mail: jkopyciok-lande@mcecleanenergy.org

Dated: May 6, 2021

⁴² *Id.* (emphasis added).

APPENDIX A

Pursuant to Rule 14.3(b) of the Commission's Rules of Practice and Procedure, MCE offers the following index of recommended changes to the Proposed Decision, including any proposed changes to the Findings of Fact, Conclusions of Law, and Ordering Paragraphs. MCE's proposed additions appear in underline and deletions appear in strikethrough.

Ordering Paragraphs

3. Beginning in program year 2022, energy efficiency program administrators who are investorowned utilities or community choice aggregators shall ensure that the forecasted benefits exceed the costs of the resource acquisition segments of their portfolios, as measured by the Total Resource Cost test, without considering Codes & Standards programs.

5. All current energy efficiency program administrators shall file energy efficiency business plan applications no February 15, 2022, to cover an eight-year period beginning with program year 2024. The business plans shall serve as a strategic plan for the energy efficiency efforts of the program administrator, and shall contain sector level strategies, metrics, and an eight-year budget.

6. All current energy efficiency program administrations shall file four-year energy efficiency portfolio applications, which shall be combined with the business plan applications in Ordering Paragraph 5, on February 15, 2022, to cover a four-year period beginning with program year 2024. The portfolio applications shall contain a high-level, strategic plan and budget that covers an eight-year period. It should also contain detailed sector and program strategies, budgets, and cost-effectiveness showings over the four-year period, and implementation plans for all programs that are currently operating or planned to operate during the portfolio period, with the exception of third-party programs where the contract has not yet been awarded. The portfolio applications shall utilize the technical inputs included in Table 2 of this decision. The Commission will continue to approve implementation plans through the current processes set forth in D.15-10-028.

8. All program administrators shall continue to prepare and submit Joint Cooperation Memoranda,-according to the existing requirements contained in Decision 18-05-041. <u>However</u>, the process for submitting Joint Cooperation Memoranda shall be moved to coincide with, and be integrated into, the Annual Report process that takes place each May.

18. Non-IOU program administrators shall update their portfolio goals for the transition years (e.g. program years 2022 and 2023) via the ABAL filing due September 1, 2021. They shall also update their goals every four years through the portfolio filing process. To the extent program changes are necessary during interim periods, non-IOU PAs may submit trigger-based advice letters to update their goals. Triggers will include program closure, additional budget requests, or a portfolio that is not on target, as described in the CAEECC Proposal attached to the April 24, 2020 NRDC Motion. <u>19. The CAEECC shall form a working group to develop new reporting metrics for all three</u> portfolio segments that will be filed at the Commission via a Tier 2 advice letter before September 1, 2023.

20. Program administrators may use the 2020 version of the avoided cost calculator ("ACC") adopted in Resolution E-5077 to develop their PY 2020/2023 ABAL filing.

21. Due to timing constraints, the program administrators' PY 2022/23 ABAL filing need not be subject to the standard CAEECC review process. Instead, the ABAL filings can be provided to the CAEECC for additional feedback shortly after submission to the Commission.

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to Oversee the Resource Adequacy Program, Consider Program Refinements, and Establish Forward Resource Adequacy Procurement Obligations.

R.19-11-009

CALIFORNIA COMMUNITY CHOICE ASSOCIATION'S COMMENTS ON FINAL 2021 LCR REPORT

Evelyn Kahl, General Counsel CALIFORNIA COMMUNITY CHOICE ASSOCIATION One Concord Center 2300 Clayton Road, Suite 1150 Concord, CA 94520 (415) 254-5454 regulatory@cal-cca.org

May 7, 2021

TABLE OF CONTENTS

I.	INTRODUCTION	1
II.	THE COMMISSION SHOULD HOLD WORKSHOPS TO EXAMINE THE SIGNIFICANT INCREASE IN PG&E GREATER BAY AREA NEED	2
III.	THE COMMISSION SHOULD REJECT THE LOCAL REQUIREMENT FOR THE GREATER BAY AND ALLOW CAISO BACKSTOP IF NECESSARY	4
IV.	CONCLUSION	5

SUMMARY OF RECOMMENDATIONS

- The Commission should immediately conduct working group meetings to assess the local area resource adequacy needs for the PG&E Greater Bay Area to examine the large increase in need identified by the CAISO and consider what actions can and should be taken to reduce the need within the local area.
- The Commission should reject the increase in LCR requirement for the PG&E Greater Bay Area in light of the large increase in requirement, lack of progress by the working group, and the short-duration contracts that are likely given the conflicts with the CPE and LCR RCM. The Commission should instead allow the CAISO to potentially backstop for the year while enabling the Commission to focus on resolving the causes of and solutions to the large increase for the PG&E Greater Bay Area.

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to Oversee the Resource Adequacy Program, Consider Program Refinements, and Establish Forward Resource Adequacy Procurement Obligations.

R.19-11-009

CALIFORNIA COMMUNITY CHOICE ASSOCIATION'S COMMENTS ON FINAL 2021 LCR REPORT

The California Community Choice Association¹ (CalCCA) submit these Comments in response to the *Email Ruling Modifying Track 4 Schedule on Flexible Capacity Requirements* (Ruling), dated April 5, 2021.

I. INTRODUCTION

The California Independent System Operator (CAISO) study process, beginning with the 2020 Local Capacity Requirement (LCR) study for resource adequacy (RA) year 2021, shows a significant increase in the requirements for the Pacific Gas and Electric Company (PG&E) Greater Bay Area. Despite an order to conduct a working group to evaluate the appropriateness of the study², the working group process was not conducted in a timely manner. As a result, the only available working group report³ is limited to identifying the questions that must be answered in order to arrive at a meaningful LCR process. In addition, it does not provide a

¹ California Community Choice Association represents the interests of 23 community choice electricity providers in California: Apple Valley Choice Energy, Baldwin Park Resident Owned Utility District, Central Coast Community Energy, Clean Energy Alliance, Clean Power Alliance, CleanPowerSF, Desert Community Energy, East Bay Community Energy, Lancaster Choice Energy, Marin Clean Energy, Peninsula Clean Energy, Pico Rivera Innovative Municipal Energy, Pioneer Community Energy, Pomona Choice Energy, Rancho Mirage Energy Authority, Redwood Coast Energy Authority, San Diego Community Power, San Jacinto Power, San José Clean Energy, Silicon Valley Clean Energy, Sonoma Clean Power, Valley Clean Energy, and Western Community Energy.

² D.20-06-031, OP 6.

³ 2020 Local Capacity Requirement Working Group Report, Oct. 1, 2020, at 10 and 14.

meaningful evaluation of transmission system enhancements that could alleviate the large LCR need in the PG&E Greater Bay Area. Decision (D.) 20-12-006 discussed the need for additional time for the working group to discuss recommendations, and required a final working group report on February 12, 2021.⁴ However, further working group meetings do not seem to have been conducted and this final report due date was ultimately suspended by the Administrative Law Judge.⁵ Having missed this opportunity, it is not surprising that, a year later, the newest study shows another significant increase in the need for local area resources in the PG&E Greater Bay Area. The California Public Utilities Commission (Commission) should follow its original conclusion and immediately order workshops to address the CAISO's conclusion.

II. THE COMMISSION SHOULD HOLD WORKSHOPS TO EXAMINE THE SIGNIFICANT INCREASE IN PG&E GREATER BAY AREA NEED

LCR need, particularly in the PG&E Greater Bay Area, has become a concern beginning

with the 2020 study for the 2021 RA year. D.20-06-031 found:

The significant increase in LCR need for the Greater Bay Area, driven by the change to local reliability criteria, is concerning, particularly given PG&E's statements that CAISO's consideration of a double three-phase transformer bank outage in the LCR study does not align with NERC and FERC requirements.⁶

The CAISO 2019 LCR Study saw the LCR requirement in the PG&E Greater Bay Area jump

1,819 MWs (from 4,473 MW to 6,292 MW) for 2022. As a result, the Commission ordered:

We agree that a local RA working group should be established to evaluate CAISO's updated criteria and other LCR related issues and propose improvements to the local RA requirement process. This working group shall be co-led by Energy Division and a consumer advocacy or environmental advocacy group. The working group shall be established within 15 days of the issuance of this decision

⁴ D.20-12-006, at 7.

⁵ E-Mail Ruling Suspending Schedule for LCR Working Group Report, Feb. 2, 2021.

⁶ D.20-06-031, at 14.

and notice of the designated co-leads shall be served on the service list. 7

The Commission specified the issues to be addressed by the working group,

including the following:

- (1) Evaluation of the newly adopted CAISO reliability criteria in relation to North American Electric Reliability Corporation (NERC) and Western Electric Coordinating Council (WECC) mandatory reliability standards;
- (2) Interpretation and implementation of CAISO's reliability standards, mandatory NERC and WECC reliability standards, and the associated reliability benefits and costs;
- Benefits and costs of the change from the old reliability criteria "Option 2/Category C" to CAISO's newly adopted reliability criteria;
- (4) Potential modifications to the current LCR timeline or processes to allow more meaningful vetting of the LCR study results;
- (5) Inclusion of energy storage limits in the LCR report and its implications on future resource procurement; and
- (6) How best to address harmonize the Commission's and CAISO's local resource accounting rules.⁸

These considerations also led the Commission to not adopt the CAISO LCR study results for the

PG&E Greater Bay Area for years 2022 and 2023, anticipating that the working group would

resolve this issue in time for the current Track 4 proceeding.⁹

As discussed in Section I of this pleading, elements above have not been addressed sufficiently and no due date for resolution is currently on record. In their most recent LCR study, the CAISO now forecasts a need for 7,231 MWs in the PG&E Greater Bay Area for a total increase of 2,758 MWs since the 2019 study was performed. In just two study periods, the need has increased 61 percent.

 $^{^{7}}$ *Id.* at 15.

⁸ *Id.* at 15.

⁹ *Id.* at 16-17.

CalCCA encourages the Commission to initiate a working group immediately to address this extreme need growth with appropriate due dates to resolve these concerns before the next LCR study. Given that the next highest growth in local area need was only 403 MWs over the same time frame representing a 6 percent increase in need and the total of all local area need (including the Greater Bay) increased by 2,515 MWs over the same time period, it is clear that the changes in the PG&E Greater Bay Area are an outlier deserving of immediate study and resolution.

In addition to the six issues identified in D.20-06-031, the Commission should also require PG&E to investigate the ability and cost to improve transmission to alleviate the needs identified by the CAISO, assuming the CAISO's study findings correctly apply North American Electric Reliability Council reliability standards. With the 2019 CPUC RA report showing the 85th percentile price for the PG&E Greater Bay Area at \$4.00/kw-month, savings on 2,758 MWs of capacity could be \$130 million per year or more. This then has significant potential of a transmission project being a cost-effective alternative.

For these reasons, the Commission should conduct workshops immediately using the questions previously identified in D.20-06-021, including the potential to effectuate transmission system changes if doing so is a cost-effective solution to the reliability needs. Resolution of these workshops should be scheduled and not altered to occur prior to the next LCR process.

III. THE COMMISSION SHOULD REJECT THE LOCAL REQUIREMENT FOR THE GREATER BAY AND ALLOW THE CAISO BACKSTOP IF NECESSARY

CalCCA recommends that the Commission not adopt the 2022 LCR for the PG&E Greater Bay Area at 7,231 MWs. Given the coming changes associated with the implementation of the Central Procurement Entity (CPE) along with the LCR Reduction Compensation Mechanism (RCM) being available only to new resources under multi-year contracts to LSEs,

4

CAISO. Given the large increase in requirement, lack of progress by the working group, and the through the CAISO's tariff based mechanisms. This will then allow the Commission to focus on within the local area. This comes with little notice and significant uncertainty after the decision in 2020 to reject the local area requirement for the Greater Bay. Such a procurement process is how to address the very large changes in local needs for the PG&E Greater Bay Area in time to the result will be many LSEs seeking one-year contracts with nearly all of the existing capacity likely to lead to a large number of requests for penalty waivers and ultimately backstop by the short-duration contracts that are likely, given the conflicts with the CPE and LCR RCM, it is simply more efficient to allow the CAISO to backstop for the incremental quantity for 2022 address procurement needs of the CPE in 2022 for RA year 2023

IV. CONCLUSION

conduct workshops immediately (1) to examine the CAISO conclusions for the PG&E Greater For all the foregoing reasons, CalCCA respectfully requests the Commission order and Bay Area LCR local RA need, and (2) to evaluate the ability of a cost-effective transmission reject the incremental change in local area requirement for the PG&E Greater Bay Area and solution to address the extreme escalation in this need. In addition, the Commission should procurement. CalCCA looks forward to an ongoing dialogue with the Commission and instead focus on the two items above for implementation before the 2022 LCR for 2023 stakeholders.

Respectfully submitted,

Kuelyn Tage

Evelyn Kahl General Counsel to the California Community Choice Association

May 7, 2021

May 6, 2020

CA Public Utilities Commission Energy Division Attention: Tariff Unit 505 Van Ness Avenue, 4th Floor San Francisco, CA 94102-3298



MCE Advice Letter 49-E

Re: Request for Increased Budget under Marin Clean Energy's Commercial Upgrade Program for the 2021 Program Year

Pursuant to guidance from the California Public Utilities Commission ("CPUC" or "Commission"), Marin Clean Energy ("MCE") hereby submits it request for increased budget under MCE's Commercial Upgrade Program for the 2021 program year ("PY") as MCE Advice Letter ("AL") 49-E.

Tier Designation:

This AL has a Tier 2 designation.

Effective Date:

Pursuant to General Order ("G.O.") 96-B, MCE requests that this Tier 2 AL become effective on June 5, 2021, which is 30 calendar days from the date of this filing.

Background

MCE has been administering energy efficiency ("EE") funds under California Public Utilities Code ("Code") Section 381.1(a)-(d) since 2013.¹ The Commission originally restricted MCE's EE programs to serving gaps in Investor Owned Utility ("IOU") programs and hard-to-reach markets.² On January 17, 2017, MCE filed a Business Plan with the Commission that requested authorization to expand MCE's EE portfolio to include additional sectors and programmatic offerings.³ MCE proposed to offer programs in the following sectors: (1) Residential; (2) Commercial; (3) Industrial; (4) Agricultural; and (5) Workforce Education and Training ("WE&T"). On June 5, 2018, the Commission approved MCE's Business Plan in D.18-05-041.⁴

¹ To date, MCE is the only community choice aggregator ("CCA") to have requested energy efficiency funding under Code Section 381.1(a)-(d).

² D.12-11-015 at pp.45-6.

³ See Application of Marin Clean Energy for Approval of its Energy Efficiency Business Plan (Application ("A.") 17-01-017) filed January 17, 2017.

⁴ D.18-05-041, OP 33 at p. 189.

The Business Plan established the maximum budget available for MCE for EE program activities for PYs 2018-2025.⁵ Furthermore, MCE submits Annual Budget Advice Letters ("ABAL") to the Commission to request approval of MCE's proposed EE budgets for the upcoming year. MCE submitted its ABAL for the PY 2021 timely to the Commission on September 1, 2020.⁶ The Commission disposed of MCE's ABAL on December 15, 2020, approving MCE's EE program activities and budget request for PY 2021.⁷

MCE's approved budget for the Commercial Upgrade Program for PY 2021 is \$3,010,541 which represented a significant budget increase in comparison to previous PYs. MCE noted that this budget increase was due to an expansion of the Commercial Upgrade Program in 2021, primarily rooted in the development of population-level normalized metered energy consumption ("NMEC") portfolios under a sub-program – the "Commercial Efficiency Market". Prompted by a protest on MCE's ABAL by the Small Business Utilities Advocates ("SBUA"),⁸ MCE provided additional information about the expansion of its Commercial Upgrade Program in its reply to the protest filed with the Commission on October 8, 2020.⁹ MCE noted that the expansion was rooted in the fact that at least three aggregators had shown interest in participating in the Commercial Efficiency Market sub-program. MCE expected additional expansion may be prudent based on program interest.

MCE's expectation of program expansion with the addition of the Commercial Efficiency Market has materialized. As of April 15, 2021, all funding allocated to the Commercial Efficiency Market has been fully subscribed and customer enrollment had to be paused until additional budget can be allocated.

Purpose

The purpose of this AL is to request a budget increase of \$4 million for the Commercial Efficiency Market sub-program under MCE's Commercial Upgrade Program for the 2021 PY. This AL provides additional details on program enrollment to date and describes the risks of not allocating additional budget to the program at this time.

Furthermore, this AL includes revised forecasts for the 2021 PY as modified from MCE's 2021 ABAL¹⁰ and updates the following program- and portfolio-level data for PY 2021:

- (1) Budgets;
- (2) Energy savings;
- (3) Cost effectiveness;

⁵ See Application of Marin Clean Energy for Approval of its Energy Efficiency Business Plan (Application ("A.") 17-01-017) filed January 17, 2017.

⁶ MCE AL 45-E, Marin Clean Energy's 2021 Energy Efficiency Annual Budget Advice Letter, September 1, 2020

⁷ Energy Division Advice Letter disposition of MCE AL 45-E, December 15, 2020.

⁸ Protest of Small Business Utility Advocated to the Energy Efficiency Annual Budget Advice Letters for Program Year 2021, October 1 at 6f.

⁹ Reply to Protests of MCE Advice Letter 45-E, October 8, 2020 at 9ff.

¹⁰ MCE AL 45-E, Marin Clean Energy's 2021 Energy Efficiency Annual Budget Advice Letter, September 1, 2020

In addition to this information, MCE's updates the following attachments:

- (1) Attachment 1: Marin Clean Energy Supplemental Budget Showing
- (2) Attachment 2: Marin Clean Energy Program Changes Explanation Tables
- (3) Attachment 3: Marin Clean Energy Budget and Savings True-up Tables

Discussion

A) Additional Budget for the Commercial Efficiency Market Sub-Program of the Commercial Upgrade Program

At the time of filing its 2021 ABAL, MCE was in the process of designing and contracting for a new population-level NMEC sub-program to the Commercial Upgrade Program – the Commercial Efficiency Market. The Commercial Efficiency Market leverages an aggregator driven, market-based program design. With no implementation contract in place, there was significant uncertainty in the market's interest in the program since the program design was novel. However, early feedback from the aggregator community was supportive enough to justify an expectation of growth, and MCE utilized this early feedback from aggregators to develop its initial budget forecast for the program in the 2021 ABAL.

The market interest and related growth has been more significant than anticipated. Since launching in December of 2020, the program has drawn strong interest. In a matter of months, the Commercial Efficiency Market has enrolled 10 participating aggregators – among them some of California's leading EE providers. As of April 1, the Commercial Efficiency Market is fully subscribed with additional interest that cannot be served under the existing budget. The interest in a market-driven model that rewards innovation and cost-effectiveness has exceeded expectations, and is a welcome outcome of an innovative, market-based program design.

The Commercial Efficiency Market has been designed as a resource program – and one that can scale easily based on interest and aggregators' capacity to deliver. Payments are made to aggregators based on the avoided cost value of a project, once participant costs and administration costs have been subtracted and the TRC remains above a 1.0. MCE intends to actively maintain the 1.0 TRC threshold for project payments for the remainder of the 2021 PY. MCE also provides revised cost effectiveness forecasts for the Commercial Upgrade Program in Table 3 below.

The Commercial Efficiency Market has been incorporated into the portfolio as an addition to the existing Commercial Upgrade Program which serves commercial customers via two implementation partners who focus separately on small and medium businesses ("SMBs") and large commercial customers. Aggregator enrollments to-date in the Commercial Efficiency Market demonstrate that the program will provide additional value and service to commercial customers within MCE's service area, by diversifying the technologies and interventions MCE is able to provide, and by engaging with a broader group of program partners to meet diverse customer needs.

It is timely for this sub-program to grow, given that MCE's Commercial Efficiency Market Program may be the first program that pays for performance on the avoided cost value of savings delivered. This aligns with the Commissions recent Proposed Decision in which the Commission introduces "Total System Benefits" ("TSB") as the new goal for EE portfolios moving forwards.¹¹

MCE is requesting a budget increase of \$4 million for the Commercial Efficiency Market subprogram under MCE's Commercial Upgrade Program for the 2021 PY. The additional budget request is based on a projection of avoided cost benefits that is forecasted to be generated by the potential projects identified by our ten participating aggregators. MCE will use the additional budget to expand the number of projects and energy savings that can be achieved under the Commercial Upgrade Program in PY 2021.

B) Commercial Efficiency Market Budget Request and Impacts on Goals and Cost Effectiveness of the Commercial Upgrade Program

MCE requests additional funding in support of the Commercial Efficiency Market sub-program under the Commercial Upgrade Program of \$4 million. Of the \$4 million requested, 81 percent is designated to incentives, 4 percent to admin, and 15 percent to direct implementation activity.

The following table provides details regarding the additional budget requested for the program. The budget for the other Commercial Upgrade Program sub-programs (i.e., the two implementers outside of the Commercial Efficiency Market sub-program) is not affected by this budget increase.

	Budget per PY 2021 ABAL	Additional Budget Request	Total Revised Budget PY 2021
Commercial	\$1,301,380	\$4,000,000	\$5,301,830
Efficiency Market			
Sub-Program			
Other Commercial	\$1,708,711	\$0	\$1,708,711
Upgrade Sub-			
Programs			
Total Commercial	\$3,010,541	\$4,000,000	\$7,010,541
Upgrade Program			

Table 1: Revised Budget for the Commercial Upgrade Program

¹¹ Proposed Decision, Assessment of Energy Efficiency Potential and Goals and Modification of Portfolio Approval and Oversight Process, April 16, 2021.

With the additional budget, MCE forecasts the following updated savings for the Commercial Upgrade Program:

	Savings* per PY 2021 ABAL		Additional Forecasted Savings*		Total Revis	ed Forecaste	d Savings*		
	kWh	kW	Therms	kWh	kW	Therms	kWh	kW	Therms
Commercial	1,519,550	0	38,800	6,422,998	0	100,767	7,942,548	0	139,567
Efficiency									
Market Sub-									
Program									
Other	3,704,535	273	50,105	0	0	0	3,704,535	273	50,105
Commercial									
Upgrade Sub-									
Programs									
Total	5,224,085	273	88,905	6,422,998	0	100,767	11,647,083	273	189,672
Commercial									
Upgrade									
Program									

Table 2: Revised Savings for the Commercial Upgrade Program

* Savings are defined as First Year Net Savings

With the additional budget, MCE forecasts the following updated cost-effectiveness ("CE") ratios for the Commercial Upgrade Program:

	CE Ratios per PY 2021 ABAL		Revised CE R	latios
	TRC PAC 7		TRC	PAC
Commercial Efficiency Market Sub- Program	0.96	1.22	1.05	1.31
Other Commercial Upgrade Sub- Programs	1.80	1.75	1.80	1.75
Total Commercial Upgrade Program	1.33	1.45	1.20	1.42

C) Impact of the Additional Budget Request on MCE's 2021 Portfolio Forecasts

In the following, MCE updates the forecasted budgets, energy savings and cost-effectiveness calculations for its EE portfolio for PY 2021 due to the increased budget request for the Commercial Upgrade Program.

(1) Budget

MCE proposed a 2021 EE portfolio budget of \$7.56 million in its 2021 ABAL.¹² In this AL, MCE requests an additional budget of \$4 Million, leading to a total portfolio budget of \$11,563,643 for PY 2021. Table 2 provides an overview of MCE's updated 2021 forecasted portfolio budget, savings, and cost-effectiveness due to this increased budget request.¹³

¹² MCE AL 45-E, Table 1

¹³ The net savings, TRC, and Program Administrator Cost ("PAC") forecast values exclude market effects

Sector	kWh	kW	Therms	
				(MM)
Residential	\$2,733,236	6,333,145	59	0.06
Commercial	\$7,010,541	11,647,083	273	0.19
Industrial	\$871,077	1,359,837	33	0.13
Agriculture	\$468,195	863,147	112	0.01
Emerging Tech	\$0	n/a	n/a	n/a
Public	\$0	n/a	n/a	n/a
Codes and Standards	\$0	n/a	n/a	n/a
WE&T	\$361,481	n/a	n/a	n/a
Finance	\$0	n/a	n/a	n/a
OBF Loan Pool	\$0	n/a	n/a	n/a
Subtotal	\$11,444,530	20,203,211	477	0.40
	MCE Savings Target per PY 2019 ABAL True-up	8,380,475	484	0.55
	% of Savings Target	241%	99%	72%
MCE EM&V	\$119,112			
MCE Total 2021	\$11,563,643			
Spending Budget ¹⁴				
Uncommitted and	\$4,000,000			
Unspent Carryover Balance ¹⁵				
MCE Total Budget	\$7,563,643			
Request ¹⁶				
Authorized PY Budget	\$12,404,000			
Сар				
(D.18-05-041)				
Forecast 2021 TRC	1.09			
Forecast 2021 PAC	1.25			

Table 4: MCE Revised 2021 Budget, Cost-Effectiveness, and Savings (Net) Forecasts

¹⁴ Total proposed program year budget spending, including uncommitted unspent carryover.

¹⁵ The uncommitted and unspent carryover balance reflects the total unspent and uncommitted funds from all previous program years that will be used to offset the 2021 fund transfers. More detail on this number can be found in MCE's CEDARS filing. Because each ABAL is filed in Q3, this unspent uncommitted amount is an estimate for the year in which the ABAL is filed.

¹⁶ The amount of funds to be collected (budget recovery) for the Program Year.

MCE requests that Pacific Gas & Electric Company ("PG&E") adjust the quarterly budget transfers for PY 2021 as calculated below:

Fuel Type	Revised Budget Transfer for PY 2021	Q1 Payment (complete)	Q2 Payment (complete)	Q3 Transfer Request	Q4 Transfer Request
Total Electric Budget	\$5,912,734	\$668,184.	\$668,184	\$2,288,183	\$2,288,184
Total Gas Budget ¹⁷	\$1,531,796	\$192,949	\$192,949	\$572,949	\$572,949
Subtotal	\$7,444,530	\$861,133	\$861,133	\$2,861,132	\$2,861,133
EM&V (one time transfer)	\$119,112	\$119,112	\$0	\$0	\$0
Total	\$7,563,643	\$980,245	\$861,133	\$2,861,132	\$2,861,133

Table 5: Revised Fund Transfer from PG&E to MCE

In D.18-05-041, the Commission approved annual and total funding levels for MCE's EE portfolio for PYs 2018-2025 for each of MCE's proposed sectors.¹⁸ The table below shows MCE's approved budget cap for PY 2021 per the Business Plan, the original budget request per the 2021 ABAL and the updated budget request per this AL for each of MCE's EE sectors.

Table 6: Budget Forecast and Annual Budget Cap for PY 2021

Year	Authorized Budget Cap (per D.18-05-041)	AuthorizedPortfolioBudget (per 2021 ABAL)	MCE Total 2021 (Requested) Spending Budget
2021	\$12,404,000	\$7,563,643	\$11,563,643

Table 7 shows MCE's budget forecasts and annual budget caps for the relevant program year and each remaining year of the approved business plan period.¹⁹

¹⁷ Pursuant to OP 36 of D.18-05-041, gas budgets will be transferred to MCE on a quarterly basis.

¹⁸ D.18-05-041 at p. 112. The Commission approved a total budget for MCE of \$85,736,000 for PYs 2018-2025. This budget includes allocations for Evaluation Measurement and Verification ("EM &V").

¹⁹ The all-inclusive business plan budget forecasts, annual caps, and savings true-up tables is included as an attachment.

Sector	2021	2022	2023	2024	2025	Total ²⁰
Residential	\$2,733,236	\$6,170,017	\$6,170,017	\$6,170,017	5,660,017	\$30,941,731
Commercial	\$7,010,541	\$2,934,922	\$2,934,922	\$2,934,922	\$3,251,922	\$17,804,713
Industrial	\$871,077	\$1,269,596	\$1,269,596	\$1,260,596	\$1,260,596	\$8,316,550
Agriculture	\$468,195	\$1,181,259	\$1,181,259	\$1,181,259	\$1,260,259	\$6,053,310
WE&T	\$361,481	\$346,667	\$346,667	\$346,667	\$346,667	\$2,094,815
Finance	\$0	\$0	\$0	\$0	\$0	\$18,524
Subtotal	\$11,444,530	11,902,460	\$12,091,865	\$11,902,460	\$11,779,460	\$69,229,643
EM&V	\$119,113	\$189,405	189,405	\$189,405	\$187,405	\$1,0195,469
Total Portfolio Program Year PA Budget	\$11,563,643	\$12,091,865	\$12,091,865	\$12,091,865	\$11,966,865	\$70,325,111 ²¹
Total Authorized Portfolio PY Budget Cap	\$12,404,000	\$10,998,000	\$10,998,000	\$10,998,000	\$10,870,000	\$85,736,000

Table 7: Revised Budget Forecasts and Annual Budget Caps for 2021 and Remaining Years of Business Plan Period

(2) Energy Savings

With the proposed expansion of the Commercial Efficiency Market sub-program under the Commercial Upgrade Program, MCE expects that forecasted net energy savings will increase for the Commercial Upgrade Program to the levels outlined in the table below.

Table 8: Revised Program-Level Forecasted Net Energy Savings for 2021

Program	Program ID	Net kWh	Net kW	Net Therm
MF Comprehensive	MCE01	133,958	40	12,908
Commercial	MCE02	11,647,083	273	189,672
SF Comprehensive	MCE07	6,093,680	0	0
SF Direct Install	MCE08	105,507	19	51,318
Industrial	MCE10	1,359,837	33	129,523
Agricultural	MCE11	863,147	112	14,296
WE&T	MCE16	0	0	0
EM&V	MCE98	0	0	0
Total		20,203,211	477	397,717

²⁰ Total represents actual expenditures through 2020 plus budget forecasts for the remainder of the business plan period.

²¹ Funding levels through 2025 do not exceed the overall funding amount authorized in D.18-05-041, which caps PAs' total spending for the period 2018-2025.

(3) Cost-Effectiveness

The impacts of the proposed expansion of the Commercial Efficiency Market sub-program under the Commercial Upgrade Program impacts MCE's forecasted program-, sector-, and portfoliolevel TRC, PAC, and RIM without market effects for PY 2021 as follows.

	Program ID	TRC	PAC	RIM
Multifamily Comprehensive	MCE01	0.48	0.54	0.54
Commercial	MCE02	1.20	1.42	1.42
Single Family Comprehensive	MCE07	1.06	1.06	1.06
Single Family Direct Install	MCE08	0.31	0.31	0.31
Industrial	MCE10	1.86	2.27	2.27
Agricultural	MCE11	1.77	2.13	2.13
Workforce, Education and Training (WE&T)	MCE16	0.00	0.00	0.00
MCE EM&V	MCE98	0.00	0.00	0.00

Table 9: Revised Forecasted Program-Level TRC, PAC and RIM for PY 2021

Table 10: Revised Forecasted Sector-Level TRC and PAC for PY 2021

Sector	TRC	PAC	RIM
Residential	0.53	0.54	0.54
Agricultural	1.77	2.13	2.13
Commercial	1.20	1.42	1.42
Industrial	1.86	2.27	2.27
WE&T	0.00	0.00	0.00

Table 11: Revised Forecasted Portfolio TRC, PAC, and RIM for PY 2021

TRC	1.09
PAC	1.25
RIM	1.17

Conclusion

MCE respectfully requests that the Commission approve its request for increased budget under the Commercial Efficiency Market sub-program of the Commercial Upgrade Program of \$4 Million for PY 2021.

Upon disposition of this AL, MCE requests Pacific Gas and Electric Company ("PG&E") modify the quarterly fund transfers as outlined in Table 5 above.

<u>Notice</u>

A copy of this AL is being served on the official Commission service lists for Application 17-01-013, *et al.* and Rulemaking 13-11-005.

For changes to these service lists, please contact the Commission's Process Office at (415) 703-2021 or by electronic mail at Process Office@cpuc.ca.gov.

Protests

Anyone wishing to protest this advice filing may do so by letter via U.S. Mail, facsimile, or electronically, any of which must be received no later than 20 days after the date of this advice filing. Protests should be mailed to:

CPUC, Energy Division Attention: Tariff Unit 505 Van Ness Avenue San Francisco, CA 94102 Email: <u>EDTariffUnit@cpuc.ca.gov</u>

Copies should also be mailed to the attention of the Director, Energy Division, Room 4004 (same address as above).

In addition, protests and all other correspondence regarding this AL should also be transmitted electronically to the attention of:

Jana Kopyciok-Lande Senior Policy Analyst MARIN CLEAN ENERGY 1125 Tamalpais Ave. San Rafael, CA 94901 Phone: (415) 464-6044 Facsimile: (415) 459-8095 jkopyciok-lande@mceCleanEnergy.org

Alice Havenar-Daughton Director of Customer Programs MARIN CLEAN ENERGY 1125 Tamalpais Ave. San Rafael, CA 94901 Phone: (415) 464-6030 Facsimile: (415) 459-8095 ahavenar-daughton@mceCleanEnergy.org

There are no restrictions on who may file a protest, but the protest shall set forth specifically the grounds upon which it is based and shall be submitted expeditiously.

Correspondence

For questions, please contact Jana Kopyciok-Lande at (415) 464-6044 or by electronic mail at jkopyciok-lande@mceCleanEnergy.org.

/s/ Jana Kopyciok-Lande

Jana Kopyciok-Lande Senior Policy Analyst MARIN CLEAN ENERGY

ATTACHMENTS

- Attachment 1: Marin Clean Energy Supplemental Budget Showing
- Attachment 2: Marin Clean Energy Program Changes Explanation Tables
- Attachment 3: Marin Clean Energy Budget and Savings True-up Tables

cc: Service Lists: R.13-11-005; A17-01-013, et al.



California Public Utilities Commission

ADVICE LETTER SUMMARY ENERGY UTILITY



MUST BE COMPLETED BY UT	ILITY (Attach additional pages as needed)
Company name/CPUC Utility No.:	
Utility type: ELC GAS WATER PLC HEAT	Contact Person: Phone #: E-mail: E-mail Disposition Notice to:
EXPLANATION OF UTILITY TYPE ELC = Electric GAS = Gas PLC = Pipeline HEAT = Heat WATER = Water	(Date Submitted / Received Stamp by CPUC)
Advice Letter (AL) #:	Tier Designation:
Subject of AL:	
Keywords (choose from CPUC listing): AL Type: Monthly Quarterly Annual If AL submitted in compliance with a Commissi	al One-Time Other: on order, indicate relevant Decision/Resolution #:
Does AL replace a withdrawn or rejected AL? I	f so, identify the prior AL:
Summarize differences between the AL and th	e prior withdrawn or rejected AL:
Confidential treatment requested? Yes	No
	nation: vailable to appropriate parties who execute a ontact information to request nondisclosure agreement/
Resolution required? Yes No	
Requested effective date:	No. of tariff sheets:
Estimated system annual revenue effect (%):	
Estimated system average rate effect (%):	
When rates are affected by AL, include attach (residential, small commercial, large C/I, agricu	nment in AL showing average rate effects on customer classes ultural, lighting).
Tariff schedules affected:	
Service affected and changes proposed ^{1:}	
Pending advice letters that revise the same tar	iff sheets:

Protests and all other correspondence regarding this AL are due no later than 20 days after the date of this submittal, unless otherwise authorized by the Commission, and shall be sent to:

CPUC, Energy Division Attention: Tariff Unit 505 Van Ness Avenue San Francisco, CA 94102 Email: <u>EDTariffUnit@cpuc.ca.gov</u>	Name: Title: Utility Name: Address: City: State: Telephone (xxx) xxx-xxxx: Facsimile (xxx) xxx-xxxx: Email:
	Name: Title: Utility Name: Address: City: State: Telephone (xxx) xxx-xxxx: Facsimile (xxx) xxx-xxxx: Email:

ENERGY Advice Letter Keywords

Affiliate	Direct Access	Preliminary Statement
Agreements	Disconnect Service	Procurement
Agriculture	ECAC / Energy Cost Adjustment	Qualifying Facility
Avoided Cost	EOR / Enhanced Oil Recovery	Rebates
Balancing Account	Energy Charge	Refunds
Baseline	Energy Efficiency	Reliability
Bilingual	Establish Service	Re-MAT/Bio-MAT
Billings	Expand Service Area	Revenue Allocation
Bioenergy	Forms	Rule 21
Brokerage Fees	Franchise Fee / User Tax	Rules
CARE	G.O. 131-D	Section 851
CPUC Reimbursement Fee	GRC / General Rate Case	Self Generation
Capacity	Hazardous Waste	Service Area Map
Cogeneration	Increase Rates	Service Outage
Compliance	Interruptible Service	Solar
Conditions of Service	Interutility Transportation	Standby Service
Connection	LIEE / Low-Income Energy Efficiency	Storage
Conservation	LIRA / Low-Income Ratepayer Assistance	Street Lights
Consolidate Tariffs	Late Payment Charge	Surcharges
Contracts	Line Extensions	Tariffs
Core	Memorandum Account	Taxes
Credit	Metered Energy Efficiency	Text Changes
Curtailable Service	Metering	Transformer
Customer Charge	Mobile Home Parks	Transition Cost
Customer Owned Generation	Name Change	Transmission Lines
Decrease Rates	Non-Core	Transportation Electrification
Demand Charge	Non-firm Service Contracts	Transportation Rates
Demand Side Fund	Nuclear	Undergrounding
Demand Side Management	Oil Pipelines	Voltage Discount
Demand Side Response	PBR / Performance Based Ratemaking	Wind Power
Deposits	Portfolio	Withdrawal of Service
Depreciation	Power Lines	

Attachment 1: Marin Clean Energy Supplemental Budget Showing

Attachment 1: Marin Clean Energy Supplemental Budget Showing

I. DESCRIPTION OF IN-HOUSE EE ORGANIZATIONAL STRUCTURE & ASSOCIATED COSTS

A. Narrative description of in-house departments/organizations supporting MCE's EE portfolio

1. Functions conducted by each department/organization MCE provides the following table to summarize the functions conducted by each in-house department based on the functional groups defined in the "Functions Definitions" in Appendix B.

Function	Customer Programs	Regulatory and Legislative Policy & Legal *	Technology & Analytics	Public Affairs *
Policy, Strategy, and Regulatory Reporting Compliance	X	Х		
Program management	Х			
Engineering Services				
Customer Application/Rebate and Incentive Processing	X			
Inspections				
Portfolio Analytics	X			
EM&V	X			
ME&O	X			X
Account Management / Sales				X
IT			X	
Call Center				
Incentives				

Table 1: Functions Conducted by Departments Supporting MCE's EE Portfolio¹

* These departments do not recover costs from the energy efficiency program budget.

 Management structure and organization chart
 MCE provides organizational charts for each department supporting the energy efficiency portfolio in Appendix A. These charts include the entire staff within

¹ These departments do not recover costs from the energy efficiency program budget.

each department even though only a subset of each team provides support to the energy efficiency portfolio. The management structure is represented on these organizational charts.

3. Staffing needs by department/organization

MCE's org charts are provided in Appendix A. MCE hired one Manager of Customer Programs in 2019 to support the energy efficiency portfolio. MCE does not anticipate hiring additional Customer Programs staff to support energy efficiency programs beyond what is provided in the organization chart. The staffing needs for the Customer Programs department and other departments at MCE may change in the future. Staff changes to other departments are unlikely to be driven by the need to support energy efficiency functions. As a result, MCE doesn't project long term growth in those departments related to supporting the energy efficiency portfolio.

4. Non-program functions currently performed by contractors

MCE currently works with contractors to support program reporting and measurement and verification (M&V).

5. Anticipated drivers of in-house cost changes by department/organization MCE's in-house costs largely consist of staffing costs and since there are no further staffing changes planned for 2021, in-house cost should stay relatively steady.

6. Explanation of method for forecasting costs

MCE's Customer Program team developed a bottom-up budget and savings forecast using portfolio costs from 2019 and 2020. Additionally, over the last five months, MCE tracked and assessed COVID-19 impacts on program operations to inform costs and savings forecasted in the 2021 Annual Budget Advice Letter ("ABAL").

B. Table showing MCE's "Full-Time Equivalent" headcount by department/organization

MCE provides this table in Appendix B.

- C. Table showing costs by functional area of management structure MCE provides this table in the: (1) Residential Budget Detail; (2) Commercial Budget Detail; (3) Industrial Budget Detail; (4) Agricultural Budget Detail; (5) and Cross-Cutting Budget Detail of Appendix C.
- D. Table showing cost drivers across the EE organization MCE's 2021 budget request is 9% higher than its 2020 authorized budget. However, MCE expects to underspend its 2020 budget due to the COVID-19 pandemic.

E. Allocation of labor and O&M costs

MCE staff complete timesheets on which they designate the number of hours spent on EE activities. For employees who work on both EE and non-EE work, labor costs are billed proportionally based on hours recorded on staff timesheets for each activity.

The costs for the time spent on EE activities are reimbursed from the EE Programs Account. This account draws on the awarded energy efficiency budget. Costs from other departments that support MCE's EE portfolio are not reimbursed from the EE Programs Account. Those departments are fully supported from the General Operating Account (funded by generation service revenues).

Labor costs charged to EE are fully loaded. Benefit-related expenses for MCE employees who bill time to the EE program are paid from the EE Programs Account proportionate to the amount of time they spend on EE Programs. These costs are incorporated into the "fully-burdened" cost MCE charges to the EE reimbursable account as aforementioned.

Non-labor resources that support EE and non-EE activities are paid for entirely using non-EE funds from the General Operating Account (funded by generation services revenues). The only non-labor resources that are paid for with EE funds are those that exclusively support EE.

All O&M costs are paid for with non-EE funds from the General Operating Account (funded by generation service revenues), unless they exclusively support EE, in which case they are paid for using EE funds.

II. BUDGET TABLES INCLUDING INFORMATION IDENTIFIED IN THE SCOPING MEMO

A. Attachment-A, Question C.8

"Present a single table summarizing energy savings targets, and expenditures by sector (for the six specified sectors). This table should enable / facilitate assessment of relative contributions of the sectors to savings targets, and relative cost-effectiveness."

MCE's Customer Program team developed a bottom-up budget and savings forecast using portfolio costs from 2019 and 2020. Additionally, over the last five months, MCE tracked and assessed COVID-19 impacts on program operations to inform costs and savings forecasted in the 2021 Annual Budget Advice Letter ("ABAL").

B. Attachment-A, Question C.9

"Using a common budget template developed in consultation with interested stakeholders (hopefully agreed upon at a "meet and confer" session), display how much of each year's budget each PA anticipates spending "in-house" (e.g., for administration, non-outsourced direct implementation, other non-incentive costs, marketing), by sector and by cross-cutting program."

MCE has provided the request information in Appendix E. MCE developed a staffing budget based on our projected staffing needs. The distribution of staffing costs across budget categories for 2021 is based on the allocation in 2019 with some adjustments for areas in which we expect staff involvement to increase. The allocation of staffing costs for 2019 is based on staff estimations for the requested budget categories.

C. Attachment-A, Question C.10

"Present a table akin to PG&E's Figure 1.9 (Portfolio Overview, p 37) or SDG&E's Figure 1.10 (p. 23) that not only shows anticipated solicitation schedule of "statewide programs" by calendar year and quarter, but also expected solicitation schedule of local third-party solicitations, by sector, and program area (latter to extent known, and/or by intervention strategy if that is more applicable). For both tables, and for each program entry on the calendar, give an approximate size of budget likely to be available for each solicitation (can be a range)."

This question is not applicable to MCE.

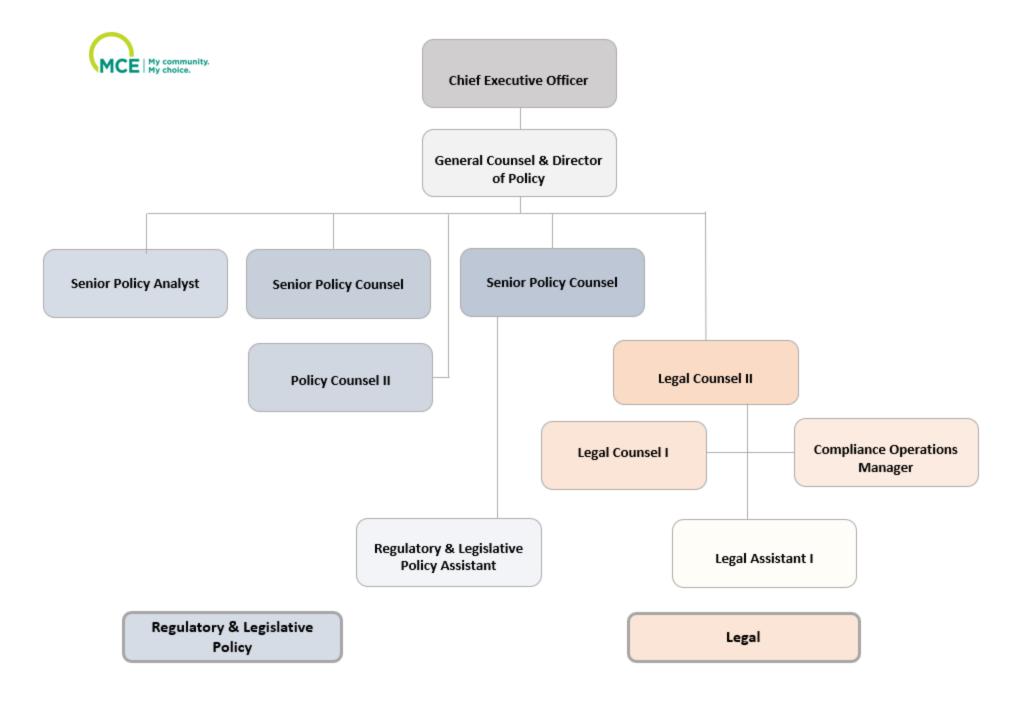
III. Appendices

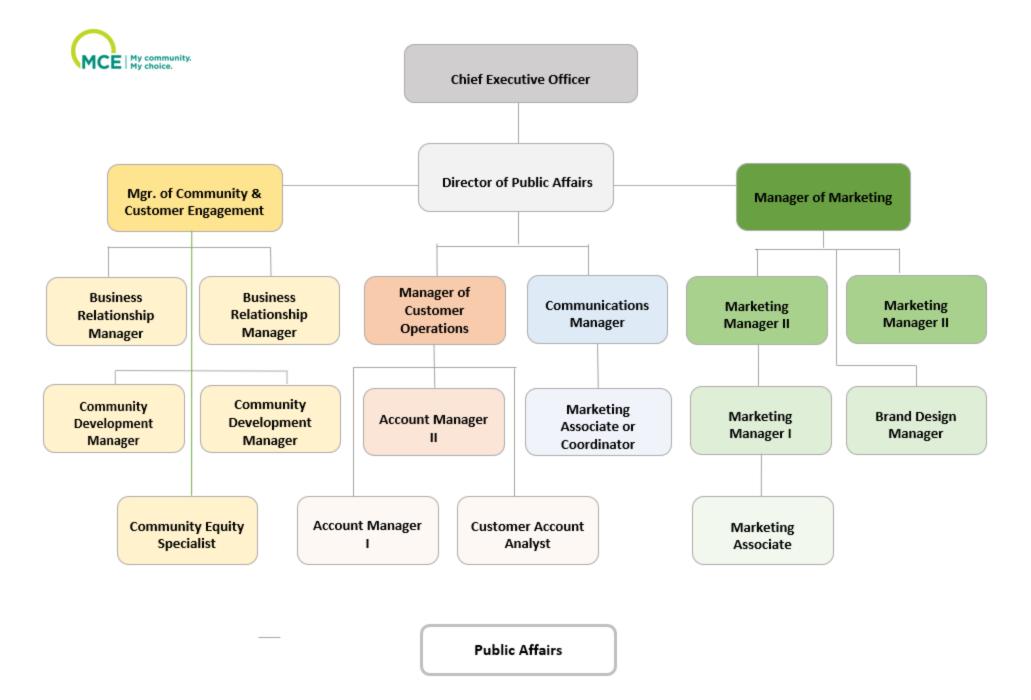
APPENDIX A



Board of Directors County of Marin · City of Richmond · City of Belvedere · City of Benicia · City of Concord · County of Contra Costa · Town of Corte Madera · Town of Danville · City of El Cerrito · Town of Fairfax · City of Lafayette · City of Larkspur · City of Martinez · City of Mill Valley · Town of Moraga · County of Napa · City of Novato · City of Oakley · City of Pinole · City of Pittsburg · Town of Ross · Town of San Anselmo · City of San Pablo · City of San Rafael · City of San Ramon · City of Sausalito · County of Solano · Town of Tiburon · City of Walnut Creek Board Clerk & **Chief Executive Officer** Executive Asst. to CEO Asst. Board Clerk & **Chief Operating Officer** Executive Asst. to COO Director of Strategic **Director of Public** Director of Customer **Director of Finance** Affairs Initiatives Programs Manager of Director of HR, **General Counsel &** Manager of Power Manager of Admin Technology & **Diversity**, & Inclusion **Director of Policy** Services Resources Analytics Leadership Team

8/28/2020

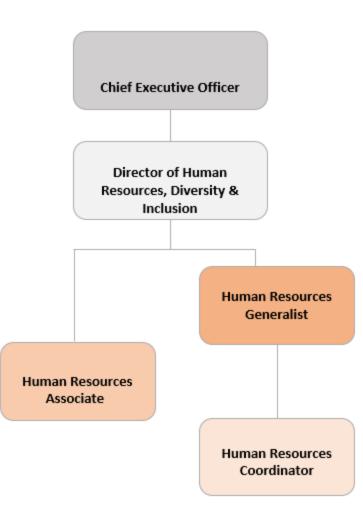






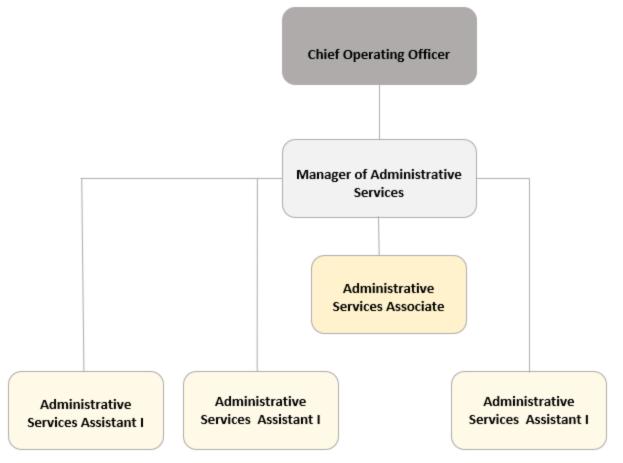






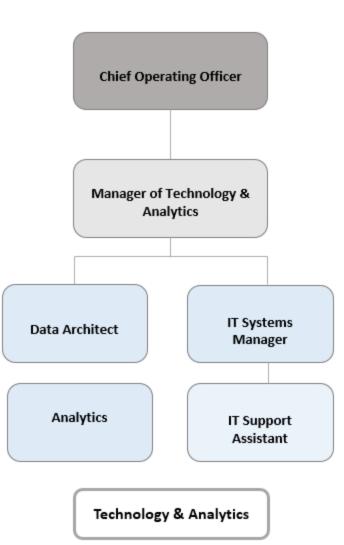
Human Resources



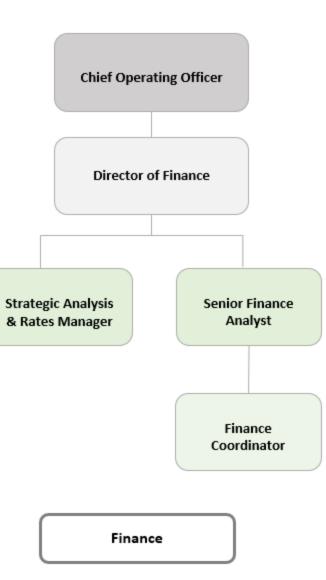


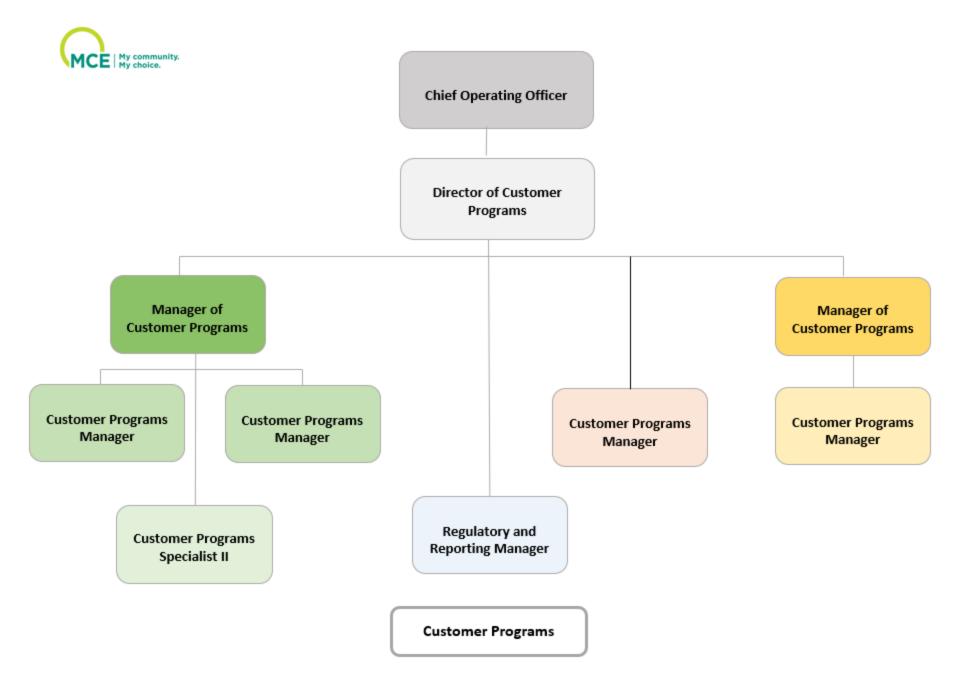




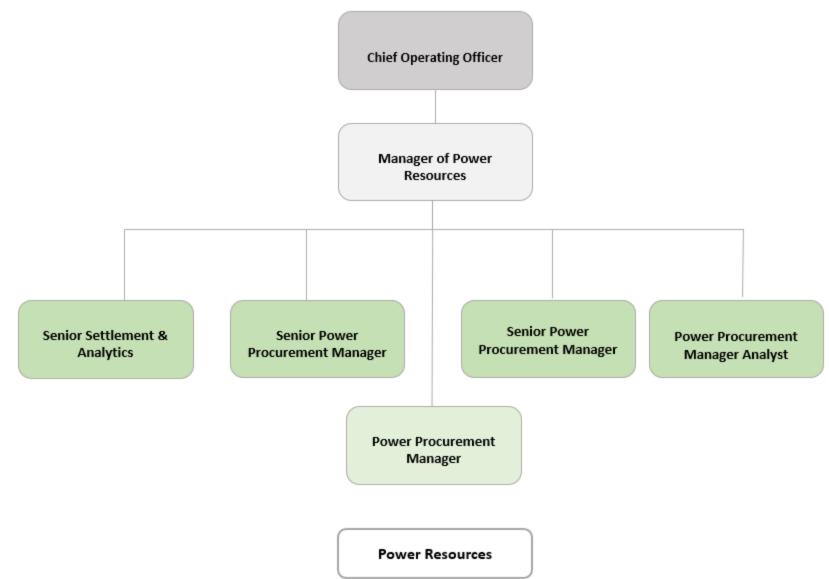












APPENDIX B

Functional Group	2018 EE Portfolio FTE	2020 EE Portfolio FTE
Policy, Strategy and Regulatory Reporting Compliance	1.09	1.53
Program Management	1.73	2.43
Engineering Services	-	-
Customer Application/Rebate/Incentive Processing	0.12	0.18
Customer Project Inspections	0.12	0.18
Portfolio Analytics	0.17	0.26
EM&V	0.11	0.14
ME&O	0.25	0.35
Account Management/Sales	-	-
IT	-	-
Call Center	-	-
Total	3.59	5.07

Appendix B: Supporting Information – Request I.B.

Aggregated Category	Definition	Functional Category	Detailed Definition
Policy, Strategy, and Regulatory Reporting Compliance	Includes p olicy, strategy, compliance, audits and regulatory support	Planning & Compliance	DSM Goal Planning; lead legislative review/positioning; policy support on reg proceedings; portfolio optimization; end use-market strategy; DSM lead for PRP, DRP, ES; locational targeting; audit support; SOX certifications; developing control plans; developing action plans; continuous monitoring; inspections; program/product QA/QC; decision compliance oversight/tracking; data requests; policies & procedures
		Company Regulatory Support	Case management for EE proceedings
Program management	Includes labor, contracts, admin costs for program design, program implementation, product	Program Management & Delivery	
	and channel management for all sectors	Product Management	Manage end-to-end new products and services (P&S) intake, evaluation, and launch process; develop and facilitate P&S governance teams, coordination of all sub-process owners, stakeholders, and technical resources required to evaluate and launch new products; evaluate and launch new services and OOR opportunities; develop external partnerships & strategic alliances; work with various companies and associations to help advance standards, products, and tech.; work with external experts to help reduce MCE costs to deliver new prog. and products; develop and launch new customer technologies, products, services for residential and business customers; conduct customer pilots of new technologies and programs; lead customer field demonstrations of new technologies and products; align new P&S to savings programs/incentives; develop new programs/incentives in support of savings goals
		Channel Management	
		Contract Management	Budget forecasting, spend tracking, invoice processing, and contract management with vendors and suppliers; Regulatory support for ME&O activities
Engineering Services	Includes engineering, project management, and contracts associated with	Custom project support	Management of Emerging Products projects; Customized reviews; LCR/RFO support; Ex- ante review management; Technical policy support; Technical assessments; Workpapers; Tool development; End use subject matter expertise
	workpaper development and pre/post sales project	Deemed workpapers	

	technical reviews and design assistance	Project management	
Customer Application/Rebat e and Incentive Processing	Costs associated with application management and rebate and incentive processing (deemed and custom)	Rebate & Application Processing	
Inspections	Costs associated with project inspections	Inspections	
Portfolio Analytics	Includes analytics support, including internal performance reporting and external reporting	Data analytics	Data development for programs, products and services; Standard and ad hoc data extracts for internal and external clients; Database management; CPUC, CAISO reporting; Data reconciliation; E3 support; Compliance filing support; Funding Oversight; ESPI support; Program Results Data & Performance
EM&V	EM&V expenditures	EM&V Studies	Program and product review; manage evaluation studies
	Å	EM&V Forecasting	EE lead for LTPP and IEPR; market potential study; integration w/ procurement planning; CPUC Demand Analysis Working Group
ME&O	Costs associated with utility EE marketing; no	Marketing	Customer Programs, Products, and Services Marketing; Digital Product Development; Digital Content & Optimization
	statewide; focus on outsourced portion	Customer insights	Voice of the Customer; Customer satisfaction study measurement and analysis (JD Power, SDS); Customer testing/research
Account Management / Sales	Costs associated with account rep energy efficiency sales functions	Account Management	
IT	IT project specific costs and regular O&M	IT - project specific	Projects and minor enhancements. Includes project management/business integration ("PMO/BID"). Excluded: maintenance (which SCE defines as when something goes down, normal batch processing, verifying interfaces, etc.).
		IT - regular O&M	

Call Center	Costs associated with call center staff fielding EE program questions	Call Center	
Incentives	Costs of rebate and incentive payments to customers	Incentives	

APPENDIX C

Appendix C: Supporting Information – Request I.C.

Residential

			2019 EE Portfolio	1	tfolio Budge
Sector	Cost Element	Functional Group	Expenditures (\$Million)	-	illion)
Residential Labor(1)		Policy, Strategy, and Regulatory Reporting Compliance	\$ 0.062		0.08
		Program Management	\$ 0.185	\$	0.24
		Engineering services	\$ -	\$	-
		Customer Application/Rebate/Incentive Processing	\$ 0.031	\$	0.04
		Customer Project Inspections	\$-	\$	-
		Portfolio Analytics	\$ 0.031	\$	0.04
		ME&O (Local)	\$ -	\$	-
		Account Management / Sales	\$-	\$	-
		П	ş -	\$	-
		Call Center	ş -	\$	-
	Labor Total		\$ 0.308	\$	0.40
	Non-Labor	Third-Party Implementer (as defined per D.16-08-019, OP 10)			
		Local/Government Partnerships Contracts (3)	s -	\$	-
		Other Contracts	s -	\$	-
		Program Implementation	\$ 0.498	S	0.93
		Policy, Strategy, and Regulatory Reporting Compliance	\$ 0.040	S	0.07
		Program Management	\$ 0.125	Ś	0.23
		Engineering services	s -	Ś	-
		Customer Application/Rebate/Incentive Processing	\$ 0.040	S	0.07
		Customer Project Inspections	ş -	\$	-
		Portfolio Analytics	\$ -	S	-
		ME&O (Local)	\$ 0.001	Ś	0.00
		Account Management / Sales	s -	Ś	-
		IT (4)	ş -	\$	-
		Call Center	s -	\$	-
		Facilities	ş -	Ś	-
		Incentives(PA-implmeneted and Other Contracts Program Implementation) Prog		Ś	1.01
		IncentivesThird Party Program (as defined per D.16-08-019, OP 10)	\$ -	Ś	-
	Non-Labor Total		\$ 1.009	Ś	2.33
Residential T			\$ 1.317	T	2.73
	Other (collected through GRC) (2)	Labor Overheads	ý 1.01/	Ŷ	2.70
Notes:	(1) Labor costs are already loaded	with (state loaders covered by FF)			
	(2) These costs are collected throu				
		ort the sector is included/not included in this item			
		y, Strategy, and Regulatory Reporting Compliance".			

Commercial

			2019 EE Portfolio	2021 EE Portfolio Budget	
Sector	Cost Element	Functional Group	Expenditures (\$Million)	(\$Million)	
Commercial	Labor(1)	Policy, Strategy, and Regulatory Reporting Compliance	\$ 0.019		
		Program Management	\$ 0.057	\$ 0.187	
		Engineering services	\$ -	\$ -	
		Customer Application/Rebate/Incentive Processing	\$ 0.009	\$ 0.031	
		Customer Project Inspections	\$-	\$ -	
		Portfolio Analytics	\$ 0.009	\$ 0.031	
		ME&O (Local)	\$ -	\$ -	
		Account Management / Sales	ş -	S -	
		Т	\$ -	\$ -	
		Call Center	s -	\$ -	
	Labor Total		\$ 0.095	\$ 0.312	
	Non-Labor	Third-Party Implementers Contracts (as defined per D.16-08-019, OP 10)			
		Local/Government Partnerships Contracts (3)	s -	S -	
		Other Contracts	s -	S -	
		Program Implementation	\$ 0.236	\$ 1.360	
		Policy, Strategy, and Regulatory Reporting Compliance	\$ 0.010	\$ 0.056	
		Program Management	\$ 0.059		
		Engineering services	s -	S -	
		Customer Application/Rebate/Incentive Processing	S 0.010	\$ 0.056	
		Customer Project Inspections	s -	5 -	
		Portfolio Analytics	s -	s -	
		ME&O (Local)	\$ 0.000	•	
		Account Management / Sales	s -	\$ -	
		IT (4)	s -	\$ -	
		Call Center	\$ -	\$ -	
		Facilities	s -	s -	
		Incentives(PA-implmeneted and Other Contracts Program Implementation) Programs	\$ 0.234	•	
		Incentives-Third Party Program (as defined per D.16-08-019, OP 10)	S -	s -	
	Non-Labor Total	Incentives-miller arty ridgram (as defined per 0.10-00-015, or 10)	\$ 0.549	Ŷ	
Commercial Total (5)			\$ 0.643		
commercial rotar (5)	Other (collected through GRC) (2)	Labor Overheads	0.040	0 7.011	
Notes:	(1) Labor costs are already loaded w				
	(2) These costs are collected through				
		rt the sector is included/not included in this item			
		licy, Strategy, and Regulatory Reporting Compliance".			
	(5) Under the previous program cate	gories the following programs were classified as Cross Cutting: 3P-IDEEA, Local-IDSM-ME&O-	Local Marketing (EE), SW-ID	SM-IDSM. These are included in	Table 16 Cross Cu

Industrial

			2019 EE Portfolio	2021 EE Portfolio Budget
Sector	Cost Element	Functional Group	Expenditures (\$Million)	(\$Million)
ndustrial	Labor(1)	Policy, Strategy, and Regulatory Reporting Compliance	\$ 0.011	
		Program Management	\$ 0.033	
		Engineering services	\$ -	\$ -
		Customer Application/Rebate/Incentive Processing	\$ 0.006	\$ 0.033
		Customer Project Inspections	\$ -	\$ -
		Portfolio Analytics	\$ 0.006	\$ 0.033
		ME&O (Local)	\$ -	\$ -
		Account Management / Sales	s -	s -
			s -	\$ -
		Call Center	s -	s -
	Labor Total		\$ 0.055	\$ 0.326
	Non-Labor	Third-Party Implementers Contracts (as defined per D.16-08-019, OP 10)		
		Local/Government Partnerships Contracts (3)	s -	ş -
		Other Contracts	\$ -	s -
		Program Implementation	\$ 0.040	\$ 0.239
		Policy, Strategy, and Regulatory Reporting Compliance	\$ 0.004	\$ 0.022
		Program Management	\$ 0.010	\$ 0.060
		Engineering services	s -	s -
		Customer Application/Rebate/Incentive Processing	\$ 0.004	\$ 0.022
		Customer Project Inspections	s -	\$ -
		Portfolio Analytics	s -	ş -
		ME&O (Local)	\$ 0.000	\$ 0.000
		Account Management / Sales	\$ -	\$ -
		IT (4)	\$ -	\$ -
		Call Center	\$ -	\$ -
		Facilities	\$ -	\$ -
		Incentives(PA-implmeneted and Other Contracts Program Implementation) Programs	\$ -	\$ 0.201
		IncentivesThird Party Program (as defined per D.16-08-019, OP 10)	\$ -	\$-
	Non-Labor Total		\$ 0.058	\$ 0.546
Industrial Total			\$ 0.113	\$ 0.871
	Other (collected through GRC) (2)	Labor Overheads		
Notes:	(1) Labor costs are already loaded w			
	(2) These costs are collected through (2) LCB costs are that directly suggest	h GRC D.16-06-054 ort the sector is included/not included in this item		
		trategy, and Regulatory Reporting Compliance".		

Agricultural

			2019 EE Portfolio	2021 EE Portfolio Budget
Sector	Cost Element	Functional Group	Expenditures (\$Million)	(\$Million)
Agricultural	Labor(1)	Policy, Strategy, and Regulatory Reporting Compliance	\$ 0.012	\$ 0.038
		Program Management	\$ 0.037	\$ 0.115
		Engineering services	\$ -	\$ -
		Customer Application/Rebate/Incentive Processing	\$ 0.006	\$ 0.019
		Customer Project Inspections	\$ -	\$ -
		Portfolio Analytics	\$ 0.006	\$ 0.019
		ME&O (Local)	\$-	\$-
		Account Management / Sales	\$-	\$ -
		π	\$ -	\$-
		Call Center	\$-	\$-
	Labor Total		\$ 0.061	\$ 0.191
	Non-Labor	Third-Party Implementers Contracts (as defined per D.16-08-019, OP 10)		
		Local/Government Partnerships Contracts (3)	\$-	\$-
		Other Contracts	\$ -	\$-
		Program Implementation	\$ 0.021	\$ 0.067
		Policy, Strategy, and Regulatory Reporting Compliance	\$ 0.003	\$ 0.009
		Program Management	\$ 0.005	\$ 0.017
		Engineering services	\$ -	ş -
		Customer Application/Rebate/Incentive Processing	\$ 0.003	\$ 0.009
		Customer Project Inspections	\$ -	ş -
		Portfolio Analytics	\$ -	ş -
		ME&O (Local)	\$ 0.000	\$ 0.000
		Account Management / Sales	ş -	\$ -
		IT (4)	ş -	\$ -
		Call Center	ş -	\$ -
		Facilities	s -	s -
		Incentives(PA-implmeneted and Other Contracts Program Implementation) Programs	s -	\$ 0.175
		Incentives-Third Party Program (as defined per D.16-08-019, OP 10)	s -	s -
	Non-Labor Total		\$ 0.033	\$ 0.277
Agricultural To	otal		\$ 0.094	\$ 0.468
-	Other (collected through GRC) (2)	Labor Overheads		
Notes:	(1) Labor costs are already loaded w	ith (state loaders covered by EE)		
	(2) These costs are collected through			
		rt the sector is included/not included in this item		
	(4) IT Costs are included in " Po	licy, Strategy, and Regulatory Reporting Compliance".		

Public Sector

Cantas	Cast Flamoat	Eventional Group	2019 EE Portfolio	2021 EE Portfolio Budget
Sector	Cost Element	Functional Group	Expenditures (\$Million)	(\$Million)
Public Sector	Labor(1)	Policy, Strategy, and Regulatory Reporting Compliance		
		Program Management		
		Engineering services		
		Customer Application/Rebate/Incentive Processing		
		Customer Project Inspections		
		Portfolio Analytics		
		ME&O (Local)		
		Account Management / Sales		
		IT		
		Call Center		
	Labor Total			
	Non-Labor	Third-Party Implementers Contracts (as defined per D.16-08-019, OP 10)		
		Local/Government Partnerships Contracts (3)		
		Other Contracts		
		Program Implementation		
		Policy, Strategy, and Regulatory Reporting Compliance		
		Program Management		
		Engineering services		
		Customer Application/Rebate/Incentive Processing		
		Customer Project Inspections		
		Portfolio Analytics		
		ME&O (Local)		
		Account Management / Sales		
		IT (4)		
		Call Center		
		Facilities		
		Incentives(PA-implmeneted and Other Contracts Program Implementation) Programs		
		Incentives-Third Party Program (as defined per D.16-08-019, OP 10)		
	Non-Labor Total			
Public Sector	Total			
	Other (collected through GRC) (2)	Labor Overheads		
Notes:	(1) Labor costs are already loaded wi	th (state loaders covered by EE)		
	(2) These costs are collected through	GRC D.16-06-054		
		rt the sector is included/not included in this item		
	(4) IT Costs are included in " Pol	licy, Strategy, and Regulatory Reporting Compliance".		

Cross Cutting

Sector Cross Cutting	Cost Element			
Cross Cutting		Functional Group	Expenditures (\$Million)	(\$Million)
	Labor(1)	Policy, Strategy, and Regulatory Reporting Compliance	\$ -	\$ -
		Program Management	\$ -	\$ 0.072
		Engineering services	\$ -	\$ -
		Customer Application/Rebate/Incentive Processing	\$ -	\$ -
		Customer Project Inspections	\$ -	\$ -
		Portfolio Analytics	\$ -	S -
		ME&O (Local)	\$ -	\$ -
		Account Management / Sales	\$ -	\$ -
		П	\$-	\$ -
		Call Center	\$-	\$ -
	Labor Total		\$ -	\$ 0.072
	Non-Labor	Third-Party Implementers Contracts (as defined per D. 16-08-019, OP 10)		
		Local/Government Partnerships Contracts (3)	S -	s -
		Other Contracts	s -	s -
		Program Implementation	s -	\$ 0.231
		Policy, Strategy, and Regulatory Reporting Compliance	\$ -	s -
		Program Management	S -	\$ 0.058
		Engineering services	\$ -	s -
		Customer Application/Rebate/Incentive Processing	S -	s -
		Customer Project Inspections	s -	s -
		Portfolio Analytics	S -	s -
		ME&O (Local)	s -	s -
		Account Management / Sales	s -	s -
		IT(4)	s -	s -
		Call Center	\$ -	s -
		Facilities	\$ -	s -
		Incentives(PA-implmeneted and Other Contracts Program Implementation) Program	\$ -	s -
		IncentivesThird Party Program (as defined per D. 16-08-019, OP 10)	\$ -	s -
	Non-Labor Total		\$ -	\$ 0.289
Cross Cutting Tota	al (5)		s -	\$ 0.361
-	Other (collected through GRC) (2)	Labor Overheads		
Notes:	 (1) Labor costs are already loaded with (2) These costs are collected througe (3) LGP contracts that directly support 			
	(4) IT Costs are included in " Policy,	Strategy, and Regulatory Reporting Compliance". gories the following programs were classified as Cross Cutting: 3P-IDEEA, Local-IDSM-	ME&O-Local Marketing (B	E), SW-IDSM-IDSM.

APPENDIX D

Energy Savings Targets and Expenditures by Sector

	ercial \$ 0.09 \$ 0.31 \$ 0.23 Itural \$ 0.06 \$ 0.03 \$ - trial \$ 0.06 \$ 0.06 \$ - (GP) \$ - \$ - \$ - Cutting* \$ - \$ - \$ - Sector Budget \$ 0.52 \$ 1.11 \$ 0.54			illion)		2021 EE Portfolio Budget (\$Million) 2019 EE Por								Portfolio Sa	vings	2021 EE Portfoli	o Forecast	ed Savings			
Sector		Labor	(excl.		Incentives	т	otal		Labor		n-Labor (excl. entives)	Inc	entives		Total	кwн	ĸw	MMTHERMS	кwн	KW	MMTHERMS
Residential	\$	0.31	\$ 0.7	0	\$ 0.31	\$	1.32	\$	0.40	Ş	1.31	\$	1.02	\$	2.73	506,753	19	124,124	6,333,145	59	0.06
Commercial	\$	0.09	\$ 0.3	1	\$ 0.23	\$	0.64	\$	0.31	\$	1.81	\$	4.88	\$	7.01	1,005,902	211	(6,193)	11,647,083	273	0.19
Agricultural	\$	0.06	\$ 0.0	3	\$ -	\$	0.09	\$	0.19	\$	0.10	\$	0.18	\$	0.47	-	-	-	863,147	112	0.01
Industrial	\$	0.06	\$ 0.0	6	\$ -	\$	0.11	\$	0.33	\$	0.34	\$	0.20	\$	0.87	-	-	-	1,359,837	33	0.13
Public (GP)	\$	-	Ş -		ş -	\$	-	\$	-	\$	-	\$	-	\$	-	-	-	-	-	-	-
Cross Cutting*	\$	-	ş -		ş -	\$	-	\$	0.07	\$	0.29	\$	-	\$	0.36	-	-	-	-	-	-
Total Sector Budget	\$	0.52	\$ 1.3	1	\$ 0.54	\$	2.17	\$	1.30	\$	3.86	\$	6.28	\$	11.44	1,512,656	230	117,931	20,203,211	477	0.40
EM&V-PA	\$	-	Ş -		ş -	\$	0.10			\$	-	\$	-	\$	0.12	-	-	-	-	-	-
EM&V-ED	\$	-	ş -		ş -	\$	-			\$	-	\$	-		0.43	-	-	-	-	-	-
OBF - Loan Pool**	\$	-	ş -		Ş -	\$	-	\$	-	\$	-	\$	-	\$	-	-	-	-	-	-	-
EE Total***		0.52	1.:	1	0.54		2.26		1.30		3.86		6.28		12.00	1,512,656	230	117,931	20,203,211	477	0.40
 Cross Cutting Sector 	ss Cutting Sector includes Codes & Standards, Emerging Technologies, Wor										Fraining, C)BF a	dmin and	365	IDEA for 20	18 only.					
** For SDG&E and SCG	3 th	e loan pool	is not part	of th	ne authorized	EE por	rtoflio bu	idget	t and is co	llecte	ed and tra	cked	trhough a	sep	oarate bala	ncing account.					

***Bounding Differences

APPENDIX E

Appendix E: Supporting Information – Response to Scoping Memo, Attachment A, Question C.9.

		2019 8	EE Por	rtfolio Exp	end	itures (\$Mi	illio	n)	202	21 EE	Portfolio	Budg	et (\$Millio	on)	
Sector	1	abor		n-Labor (excl. entives)	In	centives		Total	Labor		on-Labor (excl. :entives)	Inc	entives		Total
Residential	\$	0.31	\$	0.70	\$	0.31	\$	1.32	\$ 0.40	\$	1.31	\$	1.02	\$	2.73
Commercial	\$	0.09	Ş	0.31	\$	0.23	\$	0.64	\$ 0.22	\$	1.28	\$	1.51	\$	3.01
Agricultural	\$	0.06	Ş	0.03	\$	-	\$	0.09	\$ 0.19	Ş	0.10	\$	0.18	\$	0.47
Industrial	\$	0.06	Ş	0.06	\$	-	\$	0.11	\$ 0.33	Ş	0.34	\$	0.20	\$	0.87
Public (GP)	\$	-	\$	-	\$	-	\$	-	\$ -	\$	-	\$	-	\$	-
Cross Cutting*	\$	-	\$	-	\$	-	\$	-	\$ 0.07	\$	0.29	\$	-	\$	0.36
Total Sector Budget	\$	0.52	\$	1.11	\$	0.54	\$	2.17	\$ 1.21	\$	3.33	\$	2.90	\$	7.44
EM&V-PA	\$	-	\$	-	\$	-	\$	0.10		\$	-	\$	-	\$	0.12
EM&V-ED	\$	-	\$	-	\$	-	\$	-		\$	-	\$	-		0.43
OBF - Loan Pool**	\$	-	\$	-	\$	-	\$	-	\$ -	\$	-	\$	-	\$	-
EE Total***		0.52		1.11		0.54		2.26	1.21		3.33		2.90		8.00

Energy Efficiency In-House Budget by Sector and Cross-Cutting

Attachment 2: Marin Clean Energy Program Changes Explanation Tables

2021 Program Level Explanations

												For existing third party
											For existing third party	implemented programs, MM/YY
											implemented programs, MM/YY	Program is extended to as a result
	Third party										Program was due to sunset prior	of PY 2021 ABAL planning and
	implementer or	Statewide	Programs to be closed with the		2019					Year program	to PY 2021 ABAL planning and new	timing for new 3P contracts' ramp
PA justification	Core	or Local	disposition of 2021 ABAL	% change	Claimed TRC	2020 Claimed TRC	2021 Filed TRC	2021 Budget	2020 Budget	started	3P contracting	up
MCE decided to end this program in 2019 after the ABAL was filed												
due to the fact that MCE was not able to secure an updated contract							This program was not					
with the existing implementer. Although MCE has a 2020 budget			MCE03 - Single Family Seasonal				included in MCE's					
allocated to this program, there will be no expenditures.	х		Savings	-100%	2.12	n/a	2021 ABAL	\$-	\$ 101,845	2016	12/31/2019	n/a

												For existing third party
											For existing third party	implemented programs, MM/YY
											implemented programs, MM/YY	Program is extended to as a result
	Third party										Program was due to sunset prior	of PY 2021 ABAL planning and
	implementer or		Programs to be closed upon		2019					Year program	to PY 2021 ABAL planning and new	timing for new 3P contracts' ramp
PA justification	Core	Statewide	completion of commitments	% change	Claimed TRC	2020 Claimed TRC	2021 Filed TRC	2021 Budget	2020 Budget	started	3P contracting	up
						MCE will continue to offer this						
						program until Decemeber 2020						
MCE will end this program in 2020 for several reasons. First, the						to honor program						
program overlaps with MCE's existing Multifamily Comprehensive						committments. MCE will						
program and other Multifamily Direct Install programs already in the						provide the claimed TRC in						
market. Secondly, the program is not cost effective as a result low						next year's ABAL. As of	This program was not					
participation, limited deemed measure offerings due to workpapers			MCE05 - Multifamily Direct			2020Q1, this program has a	included in MCE's					
expiring, and COVID-19 impacts.	x		Install	-100%	0.00	TRC of 0.07.	2021 ABAL	\$-	\$ 391,064	2019	12/31/2020	n/a

PA justification	Third party implementer or Core	Programs with reduced budgets (>40% budget decrease), to continue in 2021	% change	2019 Claimed TRC	2020 Claimed TRC	2021 Filed TRC	2021 Budget	2020 Budget	Year program	For existing third party implemented programs, MM/YY Program was due to sunset prior	For existing third party implemented programs, MM/YY Program is extended to as a result of PY 2021 ABAL planning and timing for new 3P contracts' ramp up
2019 and 2020 were program ramp up years for the Agricultural and Industrial Resource (AIR) program. Additionally, MCE has deployed cost savings strategies while maintaining a cost-effective forecast.	x	MCE10 - Industrial	-59%	0.00	0.00 as of 2020Q1	1.17	\$ 871,077	\$ 2,125,484	2019	n/a	n/a
2019 and 2020 were program ramp up years for the Agricultural and Industrial Resource (AIR) program. Additionally, MCE has deployed cost savings strategies while maintaining a cost-effective forecast.	x	MCE11 - Agricultural	-32%	0.00	0.00 as of 2020Q1	1.12	\$ 468,195	\$ 687,463	2019	n/a	n/a

PA justification	Third party implementer or Core	Statewide	Programs with enhanced budgets (>40% budget increase)	% change	2019 Claimed TRC	2020 Claimed TRC	2021 Filed TRC	2021 Budget	2020 Budge	Year program	implemented programs, MM/YY Program was due to sunset prior to PY 2021 ABAL planning and new 3P contracting, or mark "NEW 3P"	up , or mark "NEW 3P" program if program is result of 3P solicitation
Since launching in December of 2020, the program has drawn strong interest. In a matter of months, the Commercial Efficiency Market has enrolled 10 participating aggregators – among them some of California's leading energy efficiency providers – and as of April 1, has already committed the budget allocated to the sub-program to a pipeline of projects.	x		MCE02 - Commercial	375%	0.48	0.32 as of 2020 Q1	1.33	\$ 7,010,541	\$ 1,477,001	2016	n/a	
With the discontinued Multifamily Direct Install program and new direct install measures available to implement in 2021, MCE is doubling down on it SF Residential Direct Install program.	x		MCE08 - Single Family Direct Install	124%	0.09	0.19 as of 2020Q1	0.31			2019	n/a	n/a
PA justification	Third party implementer or Core		Programs that are new in 2021 MCE is not proposing any new	% change	2019 Claimed TRC	2020 Claimed TRC	2021 Filed TRC	2021 Budget	2020 Budge	MM/YY program to	MM/YY Program is due to sunset; and flag as "NEW 3P" program if program is result of 3P solicitation	For existing third party implemented programs, MM/YY Program is extended to as a result of PY 2021 ABAL planning and timing for new 3P contracts ramp up, or mark "NEW 3P" program program is result of 3P solicitation process per D1801004

programs for 2021.

Attachment 3: Marin Clean Energy Budget and Savings True-up Tables

2b. CCA-REN budget trueup

Sector 2018** 2019 2020 2021 2022 2023 2024 Residential \$ 558,107 \$ 1,317,213 \$ 1,094,802 \$ 2,733,236 \$ 6,170,017 \$ 6,170,017 \$ 6,170,017 \$ 6,170,017 \$ 2,934,922 \$ 1,269,596 \$ 1,269,596 \$ 1,269,596 \$ 1,269,596 \$ 1,269,596 \$					Α	nnual Rolling	Port	folio Budget Fore	cast - True-up			
Commercial\$617,207\$643,277\$1,015,506\$7,010,541\$2,934,922\$2,934,92\$2,934,922\$2,934,922\$2,934,922\$2,934,922\$2,934,922\$2,934,922\$2,934,922\$2,934,922\$2,934,922\$2,934,922\$2,934,922\$2,934,922\$2,934,922\$2,934,922\$2,934,922\$2,934,922\$2,934,922\$2,934,922	tor	2018**	2019	2020		2021		2022	2023	2024	2025	Total
Industrial \$ 137,360 \$ 113,244 \$ 592,732 \$ 871,077 \$ 1,269,596 \$ 1,181,259 \$ 1,181,259 \$ 1,181,259 \$ 1,181,259 \$ 1,181,259 \$ 1,181,259 \$ 1,181,259 \$ 1,269,596 \$ 1,181,259 \$ 1,181,259 \$ 1,181,259 \$ 1,269,596 \$ 1,269,	idential	\$ 558,107	\$ 1,317,213	\$ 1,094,802 \$	5	2,733,236	\$	6,170,017 \$	6,170,017	\$ 6,170,017 \$	5,660,017 \$	29,873,425
Agriculture \$ - \$ 93,618 \$ 233,244 \$ 468,195 \$ 1,181,259 <th>nmercial</th> <th>\$ 617,207</th> <th>\$ 643,277</th> <th>\$ 1,015,506 \$</th> <th>5</th> <th>7,010,541</th> <th>\$</th> <th>2,934,922 \$</th> <th>2,934,922</th> <th>\$ 2,934,922 \$</th> <th>3,251,922 \$</th> <th>21,343,218</th>	nmercial	\$ 617,207	\$ 643,277	\$ 1,015,506 \$	5	7,010,541	\$	2,934,922 \$	2,934,922	\$ 2,934,922 \$	3,251,922 \$	21,343,218
Emerging Tech \$ - \$ Public \$ - \$ - \$ - \$ - \$ - \$ Public \$ - \$ - \$ - \$ - \$ - \$ Public \$ - \$ - \$ Public \$ - \$ - \$ Public Public Public Public Public Pu	ustrial	\$ 137,360	\$ 113,244	\$ 592,732 \$	5	871,077	\$	1,269,596 \$	1,269,596	\$ 1,269,596 \$	1,260,596 \$	6,783,798
Public \$ - \$ 1 \$ 346,667 \$ 346,667 \$ 346,667 \$ 346,667 \$ 346,667 \$ 1 \$ 0 1 1 1 1	iculture	\$ 	\$ 93,618	\$ 233,244 \$	5	468,195	\$	1,181,259 \$	1,181,259	\$ 1,181,259 \$	1,260,259 \$	5,599,090
Codes and Standards \$ - \$ \$ 10 \$ \$	erging Tech	\$ 	\$ -	\$ - \$	5	-	\$	- \$	-	\$ - \$	- \$	-
WE&T \$ - \$ - \$ 118,326 \$ 361,481 \$ 346,667 \$	lic	\$ 	\$ -	\$ - \$	5	-	\$	- \$	-	\$ - \$	- \$	-
Finance \$ 18,524 \$ - \$ <t< th=""><th>les and Standards</th><th>\$ - :</th><th>\$ -</th><th>\$ - \$</th><th>5</th><th>-</th><th>\$</th><th>- \$</th><th>-</th><th>\$ - \$</th><th>- \$</th><th>-</th></t<>	les and Standards	\$ - :	\$ -	\$ - \$	5	-	\$	- \$	-	\$ - \$	- \$	-
OBF Loan Pool \$ - \$ <	&T	\$ - :	\$ -	\$ 118,326 \$	5	361,481	\$	346,667 \$	346,667	\$ 346,667 \$	346,667 \$	1,866,474
Subtotal \$ 1,331,198 \$ 2,167,352 \$ 3,054,610 \$ 11,444,530 \$ 11,902,460 \$ 11,9	ance	\$ 18,524	\$ -	\$ - \$	5	-	\$	- \$	-	\$ - \$	- \$	18,524
EM&V \$ 16,590 \$ 95,351 \$ 25,622 \$ 119,113 \$ 189,405 \$ 189,405 \$ 189,405 \$	- Loan Pool	\$ - :	\$ -	\$ - \$	5	-	\$	- \$	-	\$ - \$	- \$	-
	total	\$ 1,331,198	\$ 2,167,352	\$ 3,054,610 \$	5	11,444,530	\$	11,902,460 \$	11,902,460	\$ 11,902,460 \$	11,779,460 \$	65,484,528
Total Dartfalia Dragram Vanz DA Budgat (\$ 1.247.789 (\$ 2.262.702 (\$ 2.000.222 (\$ 11.662.642 (\$ 12.001.966 (\$ 12.00	&V	\$ 16,590	\$ 95,351	\$ 25,622 \$	5	119,113	\$	189,405 \$	189,405	\$ 189,405 \$	187,405 \$	1,012,296
	al Portfolio Program Year PA Budget	\$ 1,347,788	\$ 2,262,703	\$ 3,080,232 \$	5	11,563,643	\$	12,091,865 \$	12,091,865	\$ 12,091,865 \$	11,966,865 \$	66,496,824
Total Authorized Portfolio PY Budget Cap \$ 8,532,000 \$ 12,404,000 \$ 12,404,000 \$ 10,998,000 <th>al Authorized Portfolio PY Budget Cap</th> <th>\$ 8,532,000</th> <th>\$ 8,532,000</th> <th>\$ 12,404,000 \$</th> <th>5</th> <th>12,404,000</th> <th>\$</th> <th>10,998,000 \$</th> <th>10,998,000</th> <th>\$ 10,998,000 \$</th> <th>10,870,000 \$</th> <th>85,736,000</th>	al Authorized Portfolio PY Budget Cap	\$ 8,532,000	\$ 8,532,000	\$ 12,404,000 \$	5	12,404,000	\$	10,998,000 \$	10,998,000	\$ 10,998,000 \$	10,870,000 \$	85,736,000

*2018 - 2020 are actual expenditures. 2021 - 2025 are forecasted expenditures.

** "Reset" 2018 budget at or below 2018 annual budget approved in Business plan Decision. "True-up" years 2019-2025.

	Annual Roning Fortiono Savings Forecast Trac up (Rwin)									
2018	2019	2020	2021	2022	2023	2024	2025			
336,227	506,753	278,583	6,333,145	2,797,634	2,797,634	2,797,634	2,797,634			
823,364	1,005,902	1,746,234	11,647,083	4,246,583	4,246,583	4,246,583	4,246,583			
n/a	-	424,552	1,359,837	1,864,651	1,864,651	1,864,651	1,864,651			
n/a	-	369,162	863,147	659,030	659,030	659,030	659,030			
n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a			
n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a			
n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a			
n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a			
n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a			
n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a			
1,161,609	1,514,674	2,820,550	n/a	n/a	n/a	n/a	n/a			
1,846,948	5,852,476	11,442,395	20,203,211	n/a	n/a	n/a	n/a			
1,846,948	1,846,947	8,380,475	8,380,475	9,567,898	9,567,898	9,567,898	9,567,898			
63%	82%	34%	241%	n/a	n/a	n/a	n/a			
	336,227 823,364 n/a n/a n/a n/a n/a n/a 1,161,609 1,846,948 1,846,948	20182019336,227506,753823,3641,005,902n/a-n/a-n/a1,161,6091,514,6741,846,9485,852,4761,846,9481,846,947	201820192020336,227506,753278,583823,3641,005,9021,746,234n/a-424,552n/a-369,162n/a1,161,6091,514,6742,820,5501,846,9485,852,47611,442,3951,846,9481,846,9478,380,475	2018201920202021336,227506,753278,5836,333,145823,3641,005,9021,746,23411,647,083n/a-424,5521,359,837n/a-369,162863,147n/a1,161,6091,514,6742,820,550n/a1,846,9485,852,47611,442,39520,203,2111,846,9481,846,9478,380,4758,380,475	20182019202020212022336,227506,753278,5836,333,1452,797,634823,3641,005,9021,746,23411,647,0834,246,583n/a-424,5521,359,8371,864,651n/a-369,162863,147659,030n/a1,161,6091,514,6742,820,550n/an/a1,846,9485,852,47611,442,39520,203,211n/a1,846,9481,846,9478,380,4758,380,4759,567,898	201820192020202120222023336,227506,753278,5836,333,1452,797,6342,797,634823,3641,005,9021,746,23411,647,0834,246,5834,246,583n/a-424,5521,359,8371,864,6511,864,651n/a-369,162863,147659,030659,030n/assss </td <td>2018201920202021202220232024336,227506,753278,5836,333,1452,797,6342,797,6342,797,634823,3641,005,9021,746,23411,647,0834,246,5834,246,5834,246,583n/a-424,5521,359,8371,864,6511,864,6511,864,651n/a-369,162863,147659,030659,030659,030n/a</td>	2018201920202021202220232024336,227506,753278,5836,333,1452,797,6342,797,6342,797,634823,3641,005,9021,746,23411,647,0834,246,5834,246,5834,246,583n/a-424,5521,359,8371,864,6511,864,6511,864,651n/a-369,162863,147659,030659,030659,030n/a			

Annual Rolling Portfolio Savings Forecast - True-up (kWh)

*2018 - 2020 are actual savings. 2021 - 2025 are forecasted savings.

Annual Konnig Portiono Savings Porecast - True-up (KW)								
2018	2019	2020	2021	2022	2023	2024	2025	
27	19	4	59	236	236	236	236	
126	211	98	273	81	81	81	81	
n/a	-	8	33	59	59	59	59	
n/a	-	-	112	78	78	78	78	
n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
153	230	110	n/a	n/a	n/a	n/a	n/a	
349	592	539	477	n/a	n/a	n/a	n/a	
349	696	484	484	454	454	454	454	
44%	33%	23%	n/a	n/a	n/a	n/a	n/a	
	2018 27 126 n/a n/a n/a n/a n/a n/a n/a 153 349 349	2018 2019 27 19 126 211 n/a - n/a - n/a n/a n/a state 153 230 349 592 349 696	2018 2019 2020 27 19 4 126 211 98 n/a - 8 n/a - - n/a n/a n/a n/a scolar scolar 153 230 110 349 592 539 349 696 484	2018201920202021271945912621198273n/a-833n/a-112n/a153230110349696484	2018201920202021202227194592361262119827381n/a-83359n/a11278n/a153230110n/an/a349592539477n/a349696484484454	2018201920202021202220232719459236236126211982738181n/a-8335959n/a1127878n/a153230110n/an/a349592539477n/a349696484484454	2018201920202021202220232024271945923623623612621198273818181n/a-833595959n/a112787878n/a153230110n/an/an/a349592539477n/an/a349696484484454454	

Annual Rolling Portfolio Savings Forecast - True-up (kW)

*2018 - 2020 are actual savings. 2021 - 2025 are forecasted savings.

Annual Rolling Portfolio Savings Forecast - True-up (therms)								
2018	2019	2020	2021	2022	2023	2024	2025	
0.07	0.12	0.01	0.06	0.45	0.45	0.45	0.45	
(0.001)	(0.003)	0.08	0.19	0.01	0.01	0.01	0.01	
n/a	-	(0.001)	0.13	0.14	0.14	0.14	0.14	
n/a	-	-	0.01	0.01	0.01	0.01	0.01	
n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
0.07	0.12	0.09	n/a	n/a	n/a	n/a	n/a	
0.07	0.40	0.55	0.40	n/a	n/a	n/a	n/a	
0.10	0.40	0.55	0.55	0.61	0.61	0.61	0.61	
70%	30%	17%	72%	n/a	n/a	n/a	n/a	
	2018 0.07 (0.001) n/a n/a n/a n/a n/a n/a n/a n/a 0.07 0.07 0.10	2018 2019 0.07 0.12 (0.001) (0.003) n/a - n/a - n/a n/a n/	2018 2019 2020 0.07 0.12 0.01 (0.001) (0.003) 0.08 n/a - (0.001) n/a - - n/a n/a n/a 0.07 0.12 0.09 0.07 0.40 0.55	2018 2019 2020 2021 0.07 0.12 0.01 0.06 (0.001) (0.003) 0.08 0.19 n/a - (0.001) 0.13 n/a - - 0.01 n/a n/a n/a n/a 0.07 0.12 0.09	2018 2019 2020 2021 2022 0.07 0.12 0.01 0.06 0.45 (0.001) (0.003) 0.08 0.19 0.01 n/a - (0.001) 0.13 0.14 n/a - 0.01 0.01 0.01 n/a - 0.01 0.13 0.14 n/a - 0.01 0.01 0.01 n/a n/a n/a n/a n/a n/a	2018201920202021202220230.070.120.010.060.450.45(0.001)(0.003)0.080.190.010.01n/a-(0.001)0.130.140.14n/a0.010.010.01n/a0.070.120.09n/an/an/a0.100.400.550.550.610.61	20182019202020212022202320240.070.120.010.060.450.450.45(0.001)(0.003)0.080.190.010.010.01n/a-(0.001)0.130.140.140.14n/a-0.010.010.010.010.01n/a0.070.120.09n/an/an/an/a0.100.400.550.550.610.610.61	

Annual Rolling Portfolio Savings Forecast - True-up (therms)

*2018 - 2020 are actual savings. 2021 - 2025 are forecasted savings.