

Louisiana Public Service Commission Energy Efficiency Working Group Meeting

July 24, 2024

Participant Information



ROLE CALL / ATTENDANCE



GENERAL DISCUSSION GUIDELINES

Parties are encouraged to express their thoughts and opinions.



BID DISCUSSION GUIDELINES

Bidders not permitted to participate.

Agenda



Status of RFP 24-05 Seeking a Program Administrator



Discussion of Bids / Proposals



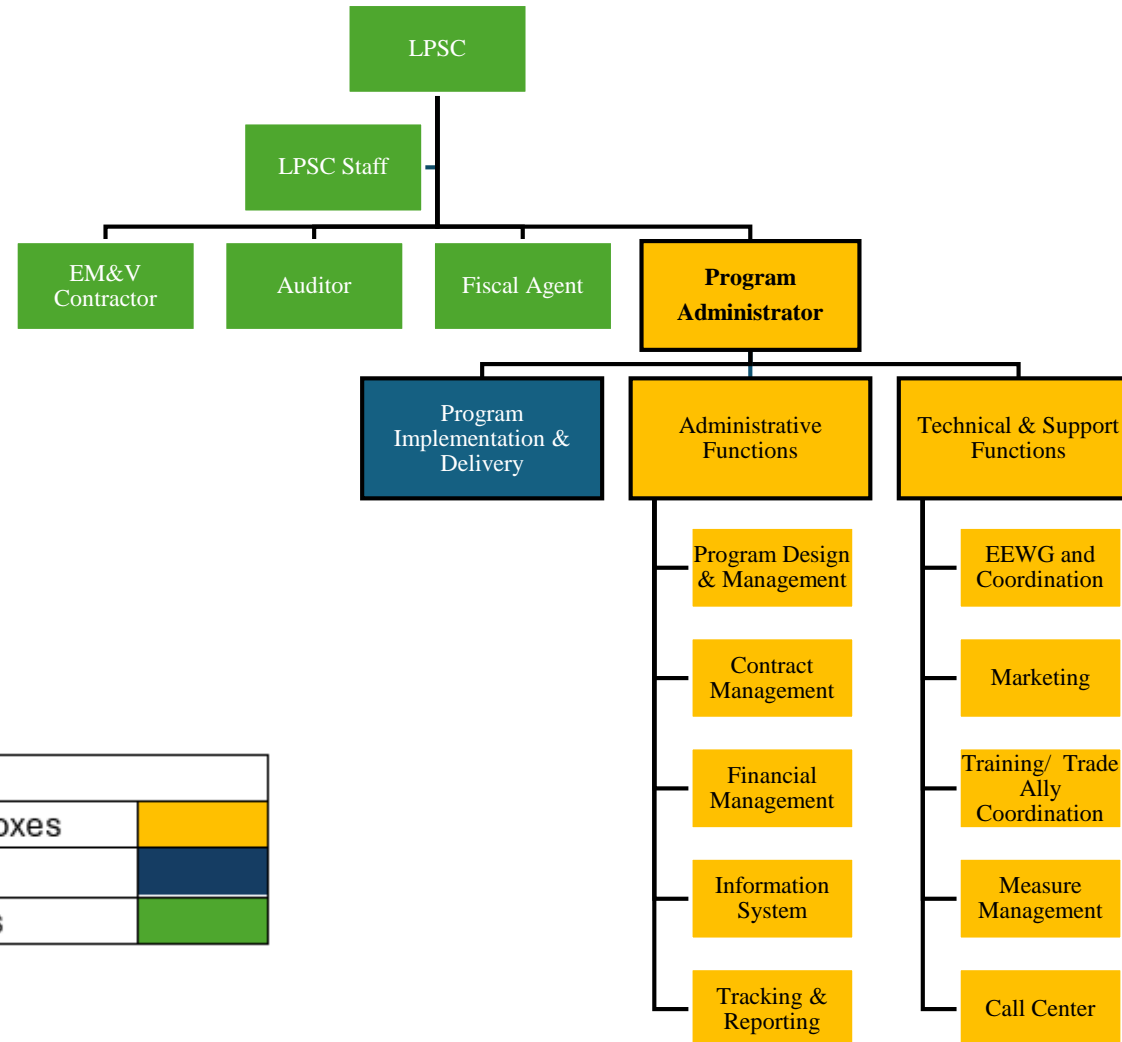
Review of Phase II Rule & Discussion of Transition Issues

Status of RFP 24-05

Seeking a Program Administrator

Task	Date
Questions on RFP Submitted to LPSC	Completed
Answers to Questions posted on Commission website	Completed
Written Proposals Due with non-negotiable Contract Terms	Completed
Staff Contract Term Sheet Circulated to all Firms	August 5, 2024
Interviews and Demonstrations	August 5-9, 2024
Commission Vote on Selection at B&E Session	September 11, 2024
Finalize Contract Signatures	October 17, 2024
New Program Start Date	January 1, 2026

Program Structure (RFP Fig 1)



Key:	
Program Administrator Bid Boxes	
Implementation/Delivery	
PSC Oversight and Contracts	

RFP Questions and Answers

- Staff responded to bidder's questions on June 13.
- Bidders requested to send confirmation of receipt of responses.
- Bidders given brief opportunity to ask follow-up questions.
- Bidders notified bid due date extended to 7/1.

RFI issued
May 29, 2024


DATA REQUESTED

1. For each year 2020-2023, please provide the following data by customer class (residential, commercial, industrial, other).⁴ Please provide this information electronically in excel format. The definition of customer in the various class designations may be from a listing of rate tariff or classification metric such as North American Industry Classification System (NAICS)/Standard Industrial Classification (SIC) code.
 - a. The number of customers by class, by year;
 - b. The annual sales by class (kWh, ccf or MMBtu), by year;
 - c. The annual revenues by class (\$), by year;
 - d. The number of customers by class and by year **eligible** to opt-out, and provide the amount of revenue and sales that were associated with those customers;
 - e. The number of customers by class and by year who you assume **would have or actually did** opt-out, and provide the amount of revenue and sales that were associated with those customers.
 - f. For utilities that participated in the Quick Start program, did you use different assumed sales kWh or ccf when calculating rates used to charge customers for regular QS EE programs versus for Public Entity EE programs. Please describe the kWh or ccf used for regular QS EE programs and for Public Entity QS programs. Please describe if and how opt-out customers were treated differently between regular QS EE programs and QS Public Entity EE programs.
 - g. If any tariff or class is not expected to participate in the Phase II programs, please explain.


RFQ Responses Received (9)




Discussion of Proposals Received (3)





Proposal for Program Administrator
RFP 24-05
July 1, 2024



 COPY

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PREPARED FOR:



LOUISIANA PUBLIC SERVICE COMMISSION
Request for Proposals for Program Administrator

Submitted to:
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July 1, 2024



ORIGINAL

**REQUEST FOR PROPOSALS
OF PROGRAM ADMINISTRATOR**

RFQ 24-05
July 1, 2024



PROPOSED TO:
LOUISIANA PUBLIC SERVICE COMMISSION
602 North Fifth Street (Galvez Building)
Baton Rouge, LA 70802

PROPOSED BY:
APTIM ENVIRONMENTAL & INFRASTRUCTURE, LLC
1200 Brickyard Lane, Suite 202
Baton Rouge, LA 70802

028549

APTIM marked specific pages "Confidential" pursuant to the Commission's Rules of Practice and Procedure, Rule 121. These pages are trade secret, proprietary, or confidential information, and shall be kept confidential and shall be exempt from public disclosure.

Summary of Proposals Received

	FRONTIER	TRC	APTIM
Partners	Creatively Justified, University Louisiana at Lafayette	N/A (Trade ally driven)	VEIC, CSRS
Louisiana Offices	Shreveport	Alexandria and Baton Rouge	16 offices in LA, 500 employees, 4/5 LPSC Districts
Louisiana Experience	SWEPCO, Cleco		ENO, ELL, DNR, BeCi
Tools/ Technology	P3/Enertrek, Deemed Savings Engine (DSE)	ModelMaster, Captures	APTracks
References (A13)	SWEPCO, NYSERDA, MN Dept. of Commerce	NJ BPU, PSEG Long Island, TVA	ELL, Vermont Dept. of Public Service, BECI
Insurance (B6)/ Financial (B7)	Wholly-owned subsidiary of GTII – 3 yrs. audited statements ('20, '21, '22)	Privately owned, 55 years of service – 3 yrs. audited statements	\$1billion in revenues per annum, no history of bankruptcy, 3 yrs. of audited financial statements

RFP Requested Information By Category

- A. Overall Approach to the Transition of a new statewide EE Program
- B. Organizational and Management Capabilities
- C. Approach to Administrative Functions
- D. Approach to Technical and Customer Support Functions
- E. Cost Proposal

Staff will guide the discussion regarding the bid responses and seek feedback to use in Staff's evaluation. More information will be sought in interviews the week of Aug. 5th, so additional questions can be posed here for Staff's consideration.

Strategic Plan, Program Design, Process (A1, A2, A3)



- (A1) Leverage QS Programs, develop Program Brand, enhance participation, detailed marketing roll out, “Listening Tour” to reach Trade Allies, utilize WI Focus on Energy experience
- (A2) Inventory/evaluate current measures, identify innovative programs in other states, consider performing energy burden study. CSRS to lead public entities program, VEIC to assist in low-income, rental, and rural and other program design.
- (A3) Develop model set of programs using bottom-up approach to build potential savings and budgets. Consider braiding IRA funds analysis within 90 days. Conduct stakeholder engagement outreach.



- (A1) Immersion Sessions with LPSC, iterative collaborative approach, use TRC’s “JumpStart” process, which was used to transition New Jersey’s seven utility program into a statewide program.
- (A2) Leverage ModelMaster tool for design of programs and regulatory filings. Can be used to help planning around braided funds.
- (A3) Utilize ModelMaster to simulate and iterate various program designs and budget allocations.



- (A1) Build Local Team, clarify goals, define priorities, Leverage QS success / expand high performing programs.
- (A2) Establish Standard Offer Programs (SOP) and modify programs in year 2 based on experience.
- (A3) Establish expectations for program funds to be allocated and expended within territories with flexibility across budget cycles

Communication Plan (A4) and Deliverables (A10)



- LPSC – Bi-weekly meetings
- EM&V – Monthly meetings to discuss savings methods and evaluation requirements
- Auditor – Monthly meetings, with annual audit planning meeting
- Working Groups (Utilities, Trade Allies, Industry Groups, Workforce Development, State Energy Office, EEWG) – Quarterly meetings
- Web-based dashboard for Staff for daily updates can be created
- Develop Program Implementer Operating Plan and listening events.



- LPSC Staff – Weekly meetings
- LPSC Commissioners – Quarterly meetings
- EM&V/ Auditor – Monthly meetings
- EEWG / EE Champion Network, Utilities , Trade Allies – Monthly (Annual Trade Ally Update Meeting)
- Public Stakeholders – Quarterly meetings
- Advocacy Groups - Annual meetings



- Monthly status reports (potentially weekly during transition)
- Checkpoint meetings quarterly
- Reporting and Deliverables to be developed in real-time
- Utilization of LPSC website to deliver single go-to location. Communications would include calendar dates, newsletter signups, and program materials.

Experience, Innovation, Implementation (A5, A6)



- Focus on administration tasks, **no program implementation**
- Introduce “stage/gate process” in Louisiana used in Wisconsin
- Evaluated 120 Demand Response and Emerging Technologies in California
- Selected Experience includes states: LA, VT, MO, DC, OH, DE, MI, PA



- **Implementation Interest not indicated.**
- Design thinking workshops for brainstorming, dedicated in-house research and consulting team
- Considerations for pilots, energy management programs, workforce development solutions, and stakeholder feedback
- Utilize analytics and ArcGIS opportunities for demographic/income information
- Selected Experience includes utilities/programs: Ameren MO, BPU, Duke Energy, Entergy Trust, Evergy, LGE/KU/NIPSCO/ Oregon Housing and Community Services, PSEG Long Island, TVA



- **May consider seeking program implementation role to**
- Experience working with existing customer base across states and markets
- Considers new/maturing technologies (heat pumps, energy storage, demand response)
- CenterPoint Energy program gets for-profit owners of multi-family housing complexes to invest.
- Selected experience includes: various parties in Minnesota, SWEPCO TX, CenterPoint Energy, Bay Area Regional Energy Network, ATMOS TX, Arkansas Oklahoma Gas/ Oklahoma Gas and Electric.

Technology and Process Tools (A7, A8)



- (A7) **APTracks** – used for ELL and EGSL and ensures budgets, spending, and savings are segregated. Also, can track savings on gas and electric from single measures (HVAC) while managing rules around fuel switching (experience in Wisconsin with similar requirements)
- (A8) Quality Process: Define, Measure, Analyze, Improve, Control (repeat) – utilizes JIRA, Wrike, Formstack for coordination. Has GIS capabilities to map participation and data by census level, LPSC district, and utility territories



- (A7) **Captures** - built to track projects by utility, customer class, service type, technology, and more. Captures can visually represent data geo-spatial (Example PSEG in NJ). Captures prevents customers from submitting a project with fuel switching because projects are tracked by site.
- (A8) Continuous Improvement Management: Plan, Do, Check, Act. QA/QC: EEWG and monitoring with meetings/reporting. TVA Innovation Award in 2020 (energy management)



- (A7) **P3** - fully tracks savings attributable to any measure. Supports splitting incentive costs between electric and gas. Example of this is ComEd IL and Oklahoma/Arkansas. Expects to meet fuel switching requirements through development of TRM.
- (A8) Expects to conduct desktop reviews to ensure documentation collected is complete and customer information properly vetted to avoid duplicate payments/double dipping. Field inspections conducted randomly to avoid bias.

Key Performance Indicators (A9)



- Leading: Marketing Performance (website visits, social media likes), Program Performance (# of applications in period, # of trade allies in period, attendance at trainings and info. sessions)
- Lagging: pipeline savings, average size of project, simple payback, customer satisfaction scores, distribution of projects across territory and customer segments



- Leading: on-time delivery of budget allocation and budget cycle plans, on-time reporting by district, customer class, and utility
- Lagging: Quality (customer satisfaction), Safety, Reporting (pipeline performance, offering performance, ontime delivery), Service and Support (staff continuity, contractor network growth, and market engagement), Accuracy (monthly invoicing accuracy, monthly forecast)



- Leading: Achievement of savings goals, customer satisfaction (LPSC, stakeholders) and increasing numbers of income qualified, renters, and rural customers served
- Supports At-Risk fee structure to drive performance
- Additional Metrics: Administrative Performance, Program Health, Customer Support, Marketing/Education/Outreach, Partner Management.

Key Interactions, Incentive Braiding (A11, A12)



- LPSC: Will file Budget Cycle Plan and Annual Reports. Will help administer EEWG and identify EEWG participants. Utilize LPSC supplied Opt-Out Information
- Utilities: Utilities will provide EER revenues by class/district. Hold a data summit with Staff and utilities regarding customer data sharing and ensure revenues collected used for those customers. Customer lists needed quarterly. Weekly payment batches to utilities, and issue co-branded payment letters.
- (A12) Braiding: Experience braiding utility-led and IRA funded Home Energy Rebate with tie-in to tracking system. Experience with detailed incentive applications, with Joyce and MacArthur Foundations, Bearegard Electric, Vermont (VEIC) federal flood relief, and Louisiana Housing Corp. projects (CSRS)



- LPSC: Work with Commissioners on priorities and budget allocations, EEWG member selection, feedback/information for coordinating with EM&V and auditor. Commissioner priorities, invoicing forms/schedules/ non-EE funding availability
- Utilities: Assign utility liaison to support transition
- (A12) Braiding: Protocols for braiding funds across multiple entities. Opportunities to leverage IRA/BIL funds. Experience with Energy Trust and OHCS (Oregon), TVA on EE Tax Deductions. Uses Captures program to conduct checks to avoid double-dipping incentive payments.



- LPSC: Work closely on program design and budget priorities
- Utilities: Need historic program participation data to reduce repeat participation and avoid double dipping. Request for Customer Information System (CIS) to get location data. May request meter data.
- (A12) Braiding: Expects braiding opportunities from federal funding, such as IRA, WAP/ LIHEAP. Experience with WAP and LIHEAP by segregating funding by measure.

Discussion
Section A –
Overall
Approach



Org. Chart (B1), Competencies (B2), Design (B3)



- (B1) **Org. Chart:** 20 named staffers
- (B2) **Unique Competencies:** LA HQ, call center in LA (GOSHEP program). 3 years of LPSC programs. ELL's 2022 program costs below peer LA utilities. LBL deemed most-cost-effective program(s) in country. Partner VEIC, nationally recognized for serving low income, rental, and multi-family housing segments.
- (B3) **Program Design:** Build on QS leveraging overlapping programs, Augment with pilots to target manufactured housing, agribusiness, new construction. Bottom-up measure ensuring equity, cost-effectiveness, and customer participation.



- (B1) **Org. Chart:** 9 named staffers
- (B2) **Unique Competencies:** 1) Utility to PSC transition experience, 2) Govt experience, 3) dual fuel projects, 4) public/private collaboration (KY, TN, IN, MO, NJ, OR), 5) transparent cost-effectiveness strategies (ModelMaster)
- (B3) **Program Design:** Leverage ModelMaster and cost-effectiveness tests. Includes a preliminary program design as Appendix 1 using 2024 LPSC data.



- (B1) **Org. Chart:** 12 named staffers
- (B2) **Unique Competencies:** Local IOU experience (Cleco, SWEPCO), Natural Gas Utilities experience (Atmos), and Software Solutions / Deemed Savings Engine (DSE), Local Relationships. Customer Satisfaction (Surveys done every 2 years)
- (B3) **Program Design:** Leverage QS program (see A1-A3)

Management (B4, B5)



- (B4) **Partners/Subcontractor Management:** Experience with Focus on Energy, which has rebid its portfolios. Applies a prequalification process for subcontractors, implementers, and allies. Uses APTracks 3.0's contractor management system to track participating contractors, subcontractors, and PIs within the Programs. Will assign a procurement lead to handle admin, management, and ensure procurement policies are observed.
- (B5) **Results Management:** Utilizes dashboards to track progress. Utilizes standard operating procedures, clear org structures, and goal setting. Progress reports and KPIs will be provided.



- (B4) **Partners/Subcontractor Management:** No subcontractors or other partners on team which will streamline and simplify coordination.
- Recommends trade-ally driven programs, rather than implementer-led programs.
- Will require all trade allies to apply to participate in the trade ally network.
- (B5) **Results Management:** Strategic Planning, Innovation, Continuous Improvement, Adaptability, Customer Experience. Periodic Reporting and status meetings.



- (B4) **Partners/Subcontractor Management:** Notes equipment suppliers as key to successful programs. Frontier to prioritize trade allies, helping to recruit, train, and engage. Commits to excellent customer service and established personal relationship. (Examples: AEP Texas SMARTSource Solar PV Program, TNMP income-qualified customer programs)
- (B5) **Results Management:** TRM states has experience working with stakeholders for compliance, and provides Appendix B noting challenges and recommendations to achieve goals. Overarching challenges are scale and time, therefore, flexibility will be needed.

Discussion
Section B –
Management



Identifying Problems (C1), Dispute Resolution (C2)



- (C1) Risk Management Process: 1) Identify, 2) Qualify and Prioritize, 3) Monitor, 4) Mitigate, Avoid, and Closeout, 5) Evaluate Effectiveness. APTIM team will maintain a risk register. Communication is key and escalating risk issues will be reported to LPSC immediately.
- (C2) Umbrella resolution process that is fair, expedient, transparent, and consistent with LPSC procedures. APTIM team will receive feedback, refer complaint to manager, and tiered for resolution and escalation. Complaints and response will be logged and available to LPSC.



- (C1) Will identify problems early using data-driven decision-making and soliciting feedback early and often.
- (C2) training and de-escalation techniques. Track every interaction that may become a complaint in Captures' escalations interface.



- (C1) Regular reporting on metrics with automated processes. To mitigate risk of underperformance, uses rapid measure, evaluate, and response methodology. Plans to utilize proactive and accurate communication, and have redundancy in reporting team with cross training during unplanned absences and complete internal documentation.
- (C2) Frontier looks to establish trust and develop clear procedures for conflict resolution. Customer service representatives use P3 and enter relevant information for tracking.

Data Systems (C3, C4), Custom Reporting (C5)



- APTracks is a proprietary system with data transfer capabilities. ENO's Program Evaluator has identified APTracks as a best-in-class DSM tracking system. It automates QA/QC of data and archive rebate paperwork. Built on Microsoft Dynamics 365 platform, real-time access to authorized users via a secure web portal. Has experience with Data Security, contractor to DoD and federal agencies, and other clients with sensitive data.
- Data in APTracks and can integrate Microsoft PowerBI for dashboards and ad-hoc reporting.



- Captures is a proprietary system with data transfer capabilities. Microsoft Dynamics Platform, and highly configurable. Using multi-layer defense approach for data security, as well as role based security to customize access by user. Captures provides real-time reports and 24/7 access. NIST compliant.
- All data in captures can be output to a report, so TRC's ability to structure and deliver a custom report is nearly infinite. IT is not required for ad hoc requests, power users can pull data in any format by request.



- P3 development/deployment phases: 1) intense discovery process, 2) establish milestones, 3) system set up and enhancements, 4) historical data integration, 5) program configuration, 6) user acceptance testing, 7) production deployment (go-live), and 8) on-going maintenance and support. P3 is a ASP.Net MVC 5 application. Data is encrypted and secured with 2-factor authentication and user role permission. Meets NIST and ISO270001 standards. P3 data can be transferred, but P3 licensing is also available for continued use.
- Relational database is readily queryable, granting analysts many variables for reporting. (example CPS Energy EMV, Texas Annual EE Plans and Reports)

Quality Assurance / Quality Control (C6, C7)



- (QA) application reviews, training assessment review, stakeholder surveys, customer surveys. In oversight function, APTIM will monitor spending to budgets, energy savings realized, utility equity, reaching under-served communities and segments, customer satisfaction and complaint resolution.
- (QC) trade allies have tiered requirements to ensure savings verified, standards met, and safety never compromised. All custom projects and projects above \$10,000 require onsite review. First 5 projects by trade ally and 5% of future projects randomly selected will have onsite verification.



- (QA) trade allies will be trained and provided guidance. Orientation Training, Trade Ally Connections, Supplemental Training, and Co-Trainings to be offered. Trade Allies will be expected to comply with code of conduct. Actions upon determination of substandard performance may include guidance/correction (level 1), probation (level 2), suspension (level 3) and termination (level 4).
- (QC) Application Reviews, Eligibility Verification, LPSC QC Checks, Trade Ally Onsite Inspections, Data Integrity Checks, and Programming & Automation. Additionally, surveys to provide ongoing feedback



- (QA) 1) Contractor Requirements, Selection, Contracting. 2) Expiration Dates on Incentives, 3) Service Quality Expectations, 4) Call center routing and resolution, 5) Training to contractors and call center staff, 6) Audits – regular audits of contractors, trainers, call center staff.
- (QC) Pre-Project Reviews, Post-Project Reviews, and Customer Interviews. Metrics include # of complaints, # of technical issues reported, average time to resolution

Discussion
Section C –
Admin.
Functions



Utility Coordination and Marketing (D1, D2)



- (D1) Focus on Energy (WI) requires liaison with 107 utilities. Expect to dedicate 1 FTE to coordination in LA. Payments to be facilitated by APTracks to allow review of incentive requests. Experience in WI, boasts near spotless compliance audits.
- (D2) rebrand experience in WI, and for ENO and ELL in 2022. **Appendix 9** includes marketing awards. Expect **marketing push over initial 18month of program launch** to include utility logos and program website.



- (D1) experience coordinating for BPU programs. To enable coordination, plans to include an EEWG/EMV/Utility Liaison position as single POC for utilities. TRC will leverage experience supporting dual fuel projects in NJ using Captures to execute incentive payments after verifying project data and invoices.
- (D2) TRC full-service marketing team has 15 years experience. **Market Research** will 1) inform forecasting and budgeting efforts, 2) prioritize marketing dollars and messaging, 3) align mass and target marketing. **Mass Marketing Strategies:** website, emails/newsletters, social, public relations, digital Ads and SEO, print collateral. **Targeting Marketing Strategies:** Personalized messaging through development of "Personas." Use of Personas creates targeted multi-lingual campaigns that speak to needs of each customer class and priority audience.



- (D1) Enertrek (P3) platform, facilitates EE program participation and management. Includes dynamic reporting for payment and budget tracking, transaction history auditing. Can be integrated into resource planning software to coordinate payments from contractors and receipts from utilities are coordinated.
- (D2) Partnership with Louisiana, MBE, WOSB, WBE, DBE, ByBlack advertising agency **Creatively Justified**. Plan to identify effective pathways for delivering messages. Materials to include print media, badging for personnel, website, social media, and event/trade show exhibits. **Appendix G** include examples of marketing material.

Trade Ally, Call Center (D3, D5)



- (D3) Implement trade ally code of conduct. Training extends beyond technical to include sales, financing, workforce development, entrepreneurial development, and external certifications. Workforce development in LA to include high school study placement as apprentices in ENO projects and growing partnership with LSS industrial Assessment Center.
- (D5) use of prerecorded messages in multiple languages allow callers access to information without live agent during peak times. Staffing 8-5 with representatives via dedicated toll-free line and dedicated email account.



- (D3) Trade Ally Engagement and Management: 1) Identify and Recruit, 2) Qualify, 3) Train, 4) Assist/Encourage, 5) Validate and Reward. TRC will form and maintain Trade Ally Advisory Board (meets annually) and facilitate happy hours and networking/education. TRC will provide Trade ally training. Cites NY workforce development experience
- (D5) Experience with 25 clients and 38,000 calls annually. Use of software (TouchPoint) for call logging. Will implement De-escalation training and techniques with 0-complaint goal.



- (D3) vetting contracts to ensure licensed and reputable, followed by training. Frontier to provide program guides and online training modules for contractor access. For statewide program, plans to 1) develop materials, 2) contact contractors from QS for opportunity to participate in new programs, 3) Hold and record webinar for introduction of new programs, 4) provide ongoing support. Experience noted for 2 CA programs
- (D5) Current office in Houston TX and Shreveport, LA. Frontier anticipates fulfilling 2 offices in LA upon award. Plans to use dedicated phone and email with support during standard business hours. Call log to be maintained. Further partnership with Creatively Justified to be explored on call center efforts.

Measure Management (D4)



- (D4) APTIM plan to take oversight role. Plans to conduct initial measure review and then add new measures. Ensure all review requests are tracked in project management tool. APTIM serves as facilitator in TRM-related updates for Focus on Energy. VEIC management experience – first nationally recognized TRM in 2000 for Vermont. Additional development in Ohio, Illinois, Iowa, Missouri, Indiana, and mid-Atlantic.



- (D4) EMV Strategy: 1) Early Engagement, 2) Agreement on Methodologies, 3) Accurate and Timeline Data using Standardized Tools – Captures, 4) Complete Transparency. LPSC, the evaluator, and the auditor will have complete access to program data, and we will respond promptly to data requests. TRM Experience – NY State Joint Utilities (TRM Editor), NJ Clean Energy Program – Program Protocols through experience in EMV working group. Participation in Texas TRM (residential new homes, and HVAC heat pump).

- (D4) Frontier collaborated with Cleco and SWEPCO in QS phases, and their EMV contractor (ADM Energy) since 2017 to create and maintain repository of deemed savings calculations and protocols. Online Deemed Savings Engine (DSE) connects with P3 and can produce Excel workbook documentation. History with statewide TRMs includes Texas IOU, Arkansas as subcontractor for Independent Evaluation Monitor. Current involvement in LA, TX, CA, IL, MN, NM, NY, and OK.



Discussion
Section D –
Support
Functions



Cost Proposals (E1) and At Risk (E2)



TRANSITION \$
PROGRAMS \$
OVERALL \$
(LEAST COST)

7% energy savings: 1.5% residential kWh, 1.5% residential ccf, 1.5% commercial kWh, 1.5% commercial ccf, 0.5% IOUs, 0.5% Mun/Coop

3% Customer Satisfaction: 1% associated with pro-rata spending by territory, 1% for meeting under-served segments targets, and 1% for Customer Satisfaction > 7/10



TRANSITION \$\$
PROGRAMS \$\$\$
OVERALL \$\$

7% energy savings targets: tiered 50%, 75%, 100% of goal achieved would correspond to 3%, 5%, 7% earning

3% Customer Satisfaction: 1% customer surveys >80%, 1% for Call Center Metrics, and 1% for Portal Accessibility > 95%



TRANSITION \$\$\$
PROGRAMS \$\$\$
OVERALL \$\$\$
(MOST EXPENSIVE)

7% energy savings: 7% energy savings targets

3% Customer Satisfaction: KPIs based on Commission outcomes

Key Risks (E3)



- Base budget sufficiency for under-served markets
- Small coops may require more resources than available at each entity. Could consider managing budget as single fund.
- Small commercial opportunities for external resource funding may be limited.



- QS program focus on low-hanging fruit and limited customer reach
- Trade ally workforce development will be key



- May be challenging areas and measures/projects may be saturated.
- Contractors may not be scaled enough to serve particular areas.
- Opportunities and availability of measures overtime, costs increase and savings opportunities may decrease.

Discussion
Section E –
Cost
Proposals



Review of Final Phase II EE Rule &

Discussion of Transition Barriers

- Transition
- EEWG
- Tariff Development
- Utility Costs
- Public Entities
- Data (Systems)
- Data (Confidentiality)

Transition Period

C. Transition Period

During the Transition Period in 2024 and 2025, the Administrator, with the Commission's guidance, shall be responsible to develop and manage a plan to transition from the utility-led Quick Start Efficiency Program to the new Commission-led statewide EE program with as little disruption as possible for trade allies, suppliers, customers, and utilities. Such plan shall be presented to the Commission for approval. Jurisdictional utilities are expected to fully cooperate and support the transition, and utilities will continue to recover their costs during the transition period as they did during the Quick Start Phase.

The Administrator shall be granted secure and confidential access to customer information and data relevant to implementing a successful EE program, such as but not limited to, kWh usage and likely billing assistance program participants so that the Administrator may understand where the greatest need for EE is within a utility's footprint. The Administrator should include information about the relative cooperation and collaborative data sharing by each utility in the Administrator's annual report.

Also, during the Transition Period, utilities shall continue to maintain Quick Start Residential and Commercial programming at existing budget levels through the 2025 calendar year, and shall work closely with the Administrator to transfer information and to communicate with customers and trade allies about the transition.

EEWG

A. EE Working Group

1. Working Group Goals

The Commission will establish the EEWG, including the participants therein. While there is no set limitation on the number of participants, the Administrator shall seek participation of parties that have appropriate experience with EE programs, and shall consider having at least minimum representation on the EEWG that includes utilities participating in the EE program, trade allies, other state agencies, low-income advocacy groups, and intervenors and interested parties participating in Docket No. R-31106. Further, there will be no compensation for stakeholder participation in the EEWG. The first meeting of the EEWG shall be held prior to July 1, 2024 with a main goal being to determine whether the EEWG shall establish protocols, including the frequency that the EEWG will meet, whether sub-committees should be established, and whether voting rights should be established.

The Administrator shall also coordinate the activities of the EEWG, with guidance and direction from the Commission, and further the goal of providing input regarding the design and implementation of EE programs, and to recommend, when appropriate, changes to either the EE Rules or specific EE programs over time. The EEWG shall not replace or circumvent the Commission's Rules of Practice and Procedure, or policy, related to review, evaluation, and revisions to Commission's Orders and Rules. As appropriate, the Commission may open a docket to allow public input and consideration of topics stemming from the EEWG, which will adhere to the Commission's Rules of Practice and Procedure.

The EEWG (by way of the Administrator) shall issue an annual report to the Commission, including details of the topics taken up by the EEWG, any recommendations for updates to EE programs or the EE Rules, and proposals for future topics for the EEWG to consider.

Tariff Development

3. Energy Efficiency Rider

To the extent possible, jurisdictional utilities should cooperate to create and seek approval of uniform EERs - one for Electric IOU Utilities, one for Group 1 Gas Utilities, and one for Electric Cooperatives. Utilities should seek approval for uniform EERs in a joint filing submitted to the Commission by no later than April 1, 2025. However, the uniform rate riders can be adjusted to meet a specific utility's needs. The electric utilities must comply with Commission General Order dated July 1, 2019 when submitting an EER for approval. If the EER would result in a change in rates charged by the respective utility, then Section 501(B) of Commission General Order dated July 1, 2019 shall be followed. Individual utilities must seek Commission approval for any utility specific adjustments they would like to implement.

The EER rate shall be designed to recover the entire EE budget, including the Administrator and EM&V Contractor costs, and incentive payments to customers and trade allies. A utility's recovery of direct costs and LCFC is further described in the next section. The EER rate shall be adjusted by utilities in a reconciliation filing made by May 1 after the end of each program year, to the extent that an over or under-collection of costs occurred. Each utility shall calculate any carrying costs on the under/over-recovered costs at the Prime Interest Rate or the utility's respective short-term debt rate, whichever is lower.

Each utility shall file supporting workpapers with the reconciliation filing, with working spreadsheets, all formulae intact, and no hard-coded values. In addition to having a uniform rate rider, documentation, including supporting workpapers, shall be standardized amongst all utilities (at least among utility categories), and the utilities shall be required to collaborate to propose such standardized documents to the Commission for approval by April 1, 2025, and this approval shall be sought from the Commission at the same time that utilities seek approval for the uniform EER Rate Riders.

Utility Costs

4. Utility Cost Recovery

Utilities are allowed to recover their direct costs in facilitating the collection and retention of the EER through the utility's normal O&M recovery mechanism. Because LPSC jurisdictional utilities predominately utilize a Formula Rate Plan that accounts for yearly underearning's should they exist, and for those jurisdictional utilities not currently on an FRP similarly can seek rate treatment to account for any underearning year over year, participating utilities will not be allowed recovery of any alleged Lost Contribution to Fixed Costs due to implementation of the Commission's EE Program. Any underearning's of a utility will be addressed holistically in their respective FRP or alternative yearly rate making process. Furthermore, nothing in this rule prohibits a utility from voluntarily implementing their own energy efficiency program for their customers. Such programs would be in supplement to the Commission's EE Program and are not mandatory. Should a utility implement their own utility EE program, they may seek administrative and other program costs through normal ratemaking processes. This type of program would not be in lieu of the EE Program designed herein.

Public Entities

D. Legacy Public Entity Programs

Public Entity programs will continue to exist under the statewide EE program; however, the overall budget for Public Entity programs will be determined as part of the budget allocation process. Nothing prohibits two or more Commissioners from working together, including combining EE program funds, to complete an EE project. As described further in Section III.E.I., the Commission will determine how much budget will be allocated to all categories, such as public entities, low-income, or other categories of programs.

Once an overall budget is established, the Public Entity Program will operate as the program did under the Quick Start Rule, including the means by which the overall budget is allocated between Commission Districts, applications being received from interested public entities, Commissioners having input in the applications selected, and one main goal being to replace out dated equipment and fixtures with new, more efficient equipment and fixtures to reach a desire energy consumption reduction.

Any Commissioner who no longer desires to have direct implementation of Public Entity programs within his respective district may request the Administrator utilize that Commissioner's budget allocation to develop and implement EE programs for public entities within that Commissioner's district. If a Commissioner selects this option, the Administrator shall implement programs within that Commissioner's district that are designed toward public entities.

Given the Public Entity program will be a part of the overall statewide EE budget, there is no longer the need for a separate rate rider for Public Entity program costs. For Phase II, one uniform rate rider for Electric IOUs, Group 1 Gas Utilities, and Electric Cooperatives will be established, which will include the costs of the Public Entity program.

Further, given the Public Entity program will be a component of the statewide EE program, all responsibilities that were previously performed by Commission Staff related to the Public Entity program will transition to the Administrator.

Data (Systems)

G. Information Management System and Data Confidentiality

1. Information Management System

During the Transition Period, and with the cooperation of utilities, the Administrator shall create or contract services to implement an information management system.

It is understood that utilities and their current program administrators have been collecting and analyzing data, including from subcontractors, such as customer data, usage information, program measures, trade data, program results, etc., and have been storing data electronically in database format. The current Quick Start Program databases and tools used by utilities for their current EE programs shall be made available to the incoming Administrator. The Administrator shall be responsible for any monthly operational fees and duties to either continue operation of any databases currently used, or to transition to another system that shall provide substantially similar tasks, reports, and functionality. These costs will be included as part of the EE budget.

The Administrator's information management system shall maintain the list of customers interested in participating in the Commission's EE program, and the Administrator shall select customers for non-Public Entity Program implementation based on when the customer signed up; in other words, on a first-come, first-serve basis. The information management system should follow a participant from sign-up to completion of the respective EE project, and store the data as needed for the EM&V Contractor for a period of time that suffices the EM&V Contractor's review, reporting in their required evaluations, and Commission oversight. The record retention for data stored in the information management system shall be for the entire four-year budget cycle plus seven years thereafter.

In addition to tracking and maintaining participation data, the information management system should also be used for other purposes, including EM&V assessments, financial analysis, managing program services and operations, research and program strategies, program modification and improvements, reporting, etc. The Commission also envisions that the data will assist in the identification and characterization of customer classes, and ultimately to develop innovative scalable, and sustainable programs and services.

Data (Privacy)

2. Data Confidentiality

To the extent that any information required to be provided by the Commission's EE Rules is provided to the Federal Energy Regulatory Commission or any other public agency, and is published, reported, or otherwise disseminated outside of the Administrator or the utilities or is otherwise a matter of public record, it will not be considered proprietary or confidential or trade secret information. If a claim is made that information is proprietary, confidential, or a trade secret, that issue shall be addressed in accordance with the provisions of Rule 12.1 of the Commission's Rules of Practice and Procedure and the Commission's General Order dated August 31, 1992.

The Administrator must develop, manage, and maintain systems that provide appropriate protections in the collection, processing, storage and retrieval of customer-specific information or information that could provide an unfair competitive advantage to an entity delivering services outside of the energy efficiency programs approved by the Commission for Administrator implementation. The Administrator is responsible for managing such systems, and when appropriate, providing the information to subcontractors, regulators, approved third-parties, and utilities. Appropriate non-disclosure agreements shall be executed with the utilities for protection of customer-specific information.

Other Questions

- Other questions or concerns for Staff to note?
- Other questions or comments may be provided in writing to Staff.