

**CPUC Staff Ex Ante Review**

CPUC Staff Project ID Number	PGE_20_T_I_528_PRJ - 02130302_Process
CMPA Directory Link	<a href="https://deeresources.info/cmpa/projects/18601">https://deeresources.info/cmpa/projects/18601</a>
PA	PGE
PA Application ID	PRJ - 02130302
PA Application Executed Date	
PA Program ID	a0n360000NcVIZ
PA Program Name	Heavy Industry Energy Efficiency Program - Customized Retrofit
PA Program Year	
Date of CPUC Staff Review:	9/22/2020
PA CMPA Upload Dates Included in this review:	
First PA Upload	7/21/2020
Second PA Upload	8/11/2020
Third PA Upload	N/A
Fourth PA Upload	
Fifth PA Upload	
Sixth PA Upload	
Seventh PA Upload	
Eighth PA Upload	
PA Measure Description(s):	
Measure 1	PROCESS RETROFIT/NEW-VACUUM PUMP-OTHER-VFD
Measure 2	
Measure 3	
Measure 4	
Measure 5	
Measure 6	
Measure 7	
Measure 8	
Measure 9	
Measure 10	
PA Project Description:	
Bi-Monthly Upload kW Demand Reduction	115.2
Bi-Monthly Upload Annual kWh Impacts	956,155.0
Bi-Monthly Upload Therm Impacts	0.0
PA Proposed Incentive \$ (to Customer)	\$132,018.60
Project Documentation kW Demand Reduction	115.2
Project Documentation Annual kWh Impacts	956,155.0
Project Documentation Annual Therm Impacts	0.0
CPUC Staff Primary Reviewer Name	
CPUC Staff Primary Reviewer Firm	Energy 350
CPUC Staff Review Supervisor Name	
CPUC Staff Review Supervisor Firm	SBW Consulting
PA Primary Reviewer Name	
PA Primary Reviewer Firm	
CPUC Staff Project Manager	
CPUC Staff Policy Authorization (as needed)	
CPUC Staff Recommendation:	Application rejected.
For rejection, action required:	Complete Resubmittal Required (SB1131 timeline reset)
M&V Review:	Post M&V Review NOT Required

Action Number:	Summary of CPUC Staff Required Action by the PA:	Action Category	Due Date	PA Response	ED Resolution
1	The project developer did not follow the CPUC approved protocol for conducting an informal ISP study as outlined in ISP Guidance, v.2.0. The project developer interviewed one vendor who sells both constant-speed and variable-speed vacuum pumps. This does not meet the ISP study requirements listed in the ISP Guidance, v2.0. According to the guide, for a single custom project estimated to exceed 500,000 kWh savings thresholds, the PA and the CPUC staff should be involved in the review and validation of the provided project information following the guidelines in Chapter 5 of the guide. This project saves 956,155 kWh and per Chapter 5 of the guide, the project developer was responsible for collecting data and information from vendors or designers to understand current trends in equipment selection, purchasing, or custom designs. As detailed in Section 5.1, Guidelines for Custom Project Development, the project developer is expected to perform due diligence activities as part of the custom project development process, which includes gathering credible and balanced information that represents typical purchase trend of the technology under consideration. The CPR team does not agree that a single interview with one vendor provides enough information to understand current market procurement and installation trends. Please follow the guidelines provided in the ISP Guidance, v2.0, to determine standard practice baseline for resubmission.	Baseline	N/A		

2	<p>The project developer did not provide enough information to prove the accelerated replacement claim. Considering all three similar vacuum pumps were installed in 2008, the project developer is claiming 3 years of RUL for the two out of three pumps that are being replaced as part of this project despite the fact that the third one recently burnt out. The CPR team does not agree that the installation year of equipment is a compelling enough reason. To address our concern regarding the evidence showing RUL of the existing equipment, the CPR team requested the project developer to provide a complete history of previous maintenance performed on the vacuum pumps, including the reason for installing the new pump a few months before the study. Due to coronavirus shutdown measures, the project developer was not able to visit the facility to retrieve the customer's maintenance records for the vacuum pumps. However, the project developer provided maintenance records performed by a 3rd party service contractor who performs maintenance on the vacuum pumps. These maintenance records show regular (monthly or bi-monthly) inspections of the system since 2016 and replacement/repair of parts and accessories on an as needed basis. It appears that the pump that was recently replaced was part of this regular maintenance service. The project developer did not provide any additional information explaining the reason for installing the new pump. Please provide this information if the project is resubmitted.</p> <p>The fourth constant-speed pump was purchased 6 months before the initiation of this projects which suggests that another pump was recently burnt out and replaced.</p>	ER preponderance of evidence	N/A		
3	<p>The CPR team requested the original 2019 baseline data and found out that three out of the four pumps had significantly lower power consumption (10-20% less than the 2020 data used by the project developer to estimate savings). The facility production is reported to be steady. Despite the apparent upgrade performed in the middle of the project development process, the 2019 data would have a baseline which uses 350,000 kWh less than the 2020 baseline. The project developer did not provide a convincing explanation of this issue and used the higher 2020 baseline usage to estimate savings. Using 2019 data would result in 37% less savings. The CPR team requests additional information from the project developer as to why there was an increase in baseline usage and which period is representative of the actual baseline condition before the program intervention. Please provide this information (i.e., reasoning for increase in baseline usage and explain why 2020 baseline is more representative of actual baseline usage before the program intervention) for resubmission.</p>	Calculation method	N/A		
4	<p>A portion of savings appear to be claimed on the expectation that new variable-speed pumps can deliver sufficient vacuum pressure/flow to allow for minimal to no use of the fourth pump. Therefore, these savings may be operational savings that arise from optimized sequencing of all four vacuum pumps to more efficiently serve overall process demands after the two new pumps have been installed. According to Resolution E-4818 and Statewide Custom Project Guidance Document, energy savings from operational improvements are considered within the BRO category. In the case of either normal or accelerated equipment replacement, separate claims should be made for energy savings related to the equipment replacement and energy savings related to operational factors and updating maintenance.</p>	CPUC Policy	N/A		

Note or Instruction Number:	CPUC Staff Notes or Instructions:	Instruction Category	Due Date	PA Response	ED Resolution

CPUC Staff Recommendation Definitions	
CPUC Staff Recommendation	Definition
Application ready to proceed without exception	The PA will continue to upload application documents to the CMPA directory through the implementation and claims phases of the project. The PA may proceed to approve the project without waiting for CPUC Staff response. A project is waived from further review at the post-installation stage by CPUC staff, but the PA is responsible for post-installation (IR) review. There will not be conditional approval.
Application ready to proceed with exception(s), as noted	<p>The PA must make revisions or changes as noted in CPUC Staff's review comments. The PA will continue to upload application documents to the CMPA directory through the implementation and claims phases of the project. The PA may proceed to approve the project without waiting for CPUC Staff response. If CPUC Staff decides to perform IR review of a project, CPUC Staff will notify the PA. The scope will be limited to determine if the project was carried out consistent with the application and notes provided during pre-installation review and to obtain information pertaining to whether the eligibility criteria or metrics should be revised.</p> <p>Unless the scope of work presented in project application has changed at IR review, the project will not be reviewed again in the areas specified below. Scope change is defined by substantial changes include significant modifications to the proposed equipment type, size, quantity, configuration, the expansion of a project to include additional retrofits, or the splitting of a project into multiple phases.</p> <p>The following areas will not be reviewed again by CPUC Staff:</p> <ul style="list-style-type: none"> <li>• Calculation Tool</li> <li>• Calculation Methodology</li> <li>• M&amp;V Plan</li> <li>• Baseline</li> <li>• Eligibility</li> <li>• EUL/RUL</li> <li>• Measure Type</li> <li>• Program Influence</li> </ul>
Application rejected.	<p>The application is rejected as submitted. The PA shall promptly inform the applicant as to the reasons why the project was rejected and the specific recommendations for the conditions under which the project would be approved. CPUC Staff shall provide the reasons for the rejection or request for modification, including each basis as to why the project is rejected, or modification is requested. In addition, CPUC Staff shall provide specific recommendations for the conditions under which the project would be approved.</p> <p>If any party to the project is unsatisfied with the Commission's directions for the project, a dispute resolution process may be initiated by that party. The Commission shall adopt rules for the conduct of the dispute resolution process. – Section 381.2 (g) (3) (F)</p>