

CPUC Staff Ex Ante Review

CPUC Staff Project ID Number	PGE 23 P C 885 PRJ - 04303342_Process
CMPA Directory Link	https://deeresources.info/cmpa/projects/20990
PA	PGE
PA Application ID	PRJ - 04303342
PA Application Executed Date	
PA Program ID	SW_IP_Gov
PA Program Name	Statewide State of California Energy Strategy and Support Program - Custom
PA Program Year	
Date of CPUC Staff Review:	8/7/2023
PA CMPA Upload Dates Included in this review:	
First PA Upload	6/26/2023
Second PA Upload	7/25/2023
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	HVAC RETROFITNEW-CONTROLS-OTHER
Measure 2	COMMISSIONING-RCX RESET CONTROL SETTING-HVAC-HYDRONIC REBALANCEADJUST
Measure 3	HVAC RETROFITNEW-CONTROLS-OTHER
Measure 4	COMMISSIONING-RCX RESET CONTROL SETTING-HVAC-SCHEDULE CHANGE
Measure 5	PROCESS RETROFITNEW-WASTE WATER-CONTROLS
Measure 6	
Measure 7	
Measure 8	
Measure 9	
Measure 10	
PA Project Description:	Installation and retrocommissioning of HVAC and wastewater controls at [REDACTED]
Bi-Monthly Upload kW Demand Reduction	253.1
Bi-Monthly Upload Annual kWh Impacts	2,454,948.0
Bi-Monthly Upload Therm Impacts	88,470.3
PA Proposed Incentive \$ (to Customer)	\$721,892.98
Project Documentation kW Demand Reduction	253.1
Project Documentation Annual kWh Impacts	2,454,948.0
Project Documentation Annual Therm Impacts	88,470.3
Project Documentation Incentive \$ (to Customer)	\$721,892.98
CPUC Staff Primary Reviewer Name	
CPUC Staff Primary Reviewer Firm	Verdant
CPUC Staff Review Supervisor Name	
CPUC Staff Review Supervisor Firm	Quantum
PA Primary Reviewer Name	
PA Primary Reviewer Firm	
CPUC Staff Project Manager	
CPUC Staff Policy Authorization (as needed)	
CPUC Staff Recommendation:	Application ready to proceed with exception(s), as noted
For rejection, action required:	N/A
M&V Review:	Post M&V Review NOT Required

Action Number:	Summary of CPUC Staff Required Action by the PA:	Action Category	PA Response	ED Resolution
1	<p>Please update all EULs for Add-on Equipment (AOE) measure (EEM3 and EEM5) based on the host RUL.</p> <p>Whether a wall-mounted Variable Frequency Drive (VFD) can remain when the host equipment is replaced depends on various factors, including the compatibility of the VFD with the new equipment, the condition of the VFD, and the specific requirements and guidelines set by the site and VFD and host equipment manufactures. Although in some cases, it may be feasible to retain an existing wall-mounted VFD, it will need to meet the necessary compatibility and operational requirements for the new equipment. Common compatibility issues when considering the retention of a wall-mounted VFD during the replacement of host equipment include:</p> <ul style="list-style-type: none"> • Electrical Compatibility: The new host equipment may have different voltage, frequency, or power requirements compared to the existing VFD. • Control Compatibility: The control signals and protocols used by the new equipment may differ from those supported by the existing VFD. • Capacity and Load Match: The capacity and load characteristics of the existing VFD should be aligned with the requirements of the new equipment. If the VFD is undersized or cannot handle the load demands of the new equipment, it may not be compatible. • Mechanical Fit: The physical dimensions and mounting requirements of the existing VFD should be compatible with the new equipment's installation space. Adequate space, ventilation, and clearances must be considered to ensure proper installation and cooling. • Condition: The overall condition of the existing VFD should be assessed. If the VFD has a history of failures, or lacks support from the manufacturer, the site will need to replace it along with the host equipment. <p>Given these conditions for the future host equipment are unknown, it is inappropriate to assume an extended life (greater than 1/3rd of the host equipment life for the VFD measure). Please revise the EUL of all AOE measures to 1/3rd of the host equipment life. Moreover, all AOE measures included in this project are to-standard practice measures and would not result in any savings beyond the RUL of the host equipment.</p>	EUL/RUL		

2	<p>The project lacks clear identification of measure application types (MATs) and standard practice discussions. It is essential for the technical reviewer to clearly explain 1) the rationale behind selecting MATs for specific measures and 2) provide discussions on standard practice. The standard practice discussions should include references to relevant requirements such as Title 24 Design and Construction Standards Handbooks, sustainability roadmap, and Design Criteria Guidelines requirements. Additionally, information on standard practice for similar measures at other facilities as well as the same equipment at the current facility should be included. We asked for this information in our SDRs. The PA stated that this information will be added to the PFS report without providing the updated PFS. Note that the technical review should make sure that MATs and standard practice are reviewed for each measure and clearly document these in the project files submitted for our review.</p> <p>In response to our SDR questioning the reason for selecting the AOE MAT for EEM1, the PA changed MAT for EEM 1 from AOE to BRO. Please make sure that that MAT for EEM1 is corrected in the project files. The EUL of the measure should be changed to 3 years instead of the PA's proposed EUL of 15 years.</p> <p>Please also note that BRO is only applicable for repairing load serving equipment that are able to meet the customer's level of service. According to the project files, Facility B Camus boilers are currently not in operation due to fire and damage. These boilers and associated pumps should be removed from the BRO scope, unless the PA can show the equipment are able to meet the customer level of service. Otherwise, this measure should be categorized as Normal Replacement (NR) measure and savings should be calculated based on standard practice.</p>	Measure type		
3	<p>The PA presented a sampling plan for Measurement and Verification (M&V) of EEM3 and EEM4. However, the actual M&V plan deviated from the proposed plan. For instance, the PA initially suggested measuring 12 units for EEM3 to achieve a required sample size of 80% confidence with 20% precision for 40 units (return and supply fan for each of the 20 heating ventilators). The final M&V plan noted visually confirming installation of 8 heating ventilators (supply and return fans), but only included short-term measurements for 3 units, with no clear rationale provided for why short-term metering would not be performed for the original sample. The same discrepancy occurred with EEM4. The PA must conduct a thorough review and revision of the M&V plan, considering the project size and following the guidelines outlined in the Statewide Custom Guidance document. The revised M&V plan should include a clear explanation of the sampling plan for both pre- and post-measurements. Additionally, the Statewide Project Feasibility Study Tiered M&V document offers further guidance on M&V procedures that can be consulted. Furthermore, please ensure that all itemized invoices are collected and properly stored in the project files.</p>	M&V plan		

Note or Instruction Number:	CPUC Staff Notes or Instructions:	Instruction Category	PA Response	ED Resolution
1	<p>The program does not offer a lower incentive rate for to-standard practice compared to above-standard practice measures, contrary to the guidance provided in Decision 16-08-019. According to the decision, incentives for projects bringing conditions up to code or standard should be designed to be lower than incentives for exceeding the required code or standard. "Conclusions of Law.....21. Customer incentive design, in light of the change to default baseline policy, should consider differential benefits of the above-code savings relative to the to code savings, and reflect those benefits in the payment structure." The program's current incentive offerings deviate from this direction given by CPUC.</p>	Incentive calculation		
2	<p>An ESCO, under contract with [REDACTED], conducted the audit that proposed the measures included in this project. The audit report prepared by the ESCO estimated incentives at \$340K. According to the ESCO audit report, all incentives will be assigned to the ESCO or its subcontractor since the ESCO assumed a specific incentive amount in the project cost. The audit report added that if the actual incentives are lower than the ESCO's estimate, [REDACTED] will adjust the contract fairly to cover the shortfall.</p> <p>Due to the nature of ESCO contracts, where projects must pay back within the contract terms, and savings are guaranteed by the ESCO to be better than the project cost, it seems that the additional incentives offered by the program (\$721K compared to \$340K) will go to the ESCO without resulting in added benefits to [REDACTED]. Essentially, the same project scope could have been completed with much lower incentives and costs to the ratepayers.</p>	Program influence		

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 before signed agreement with customer. 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"> • Calculation Tool • Calculation Methodology • M&V Plan • Baseline • Eligibility • EUL/RUL • Measure Type • Program Influence
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>
Advisory.	The PA is not formally required to follow instructions or recommendations given in an Advisory review. However, issues found will affect ESPI scoring and may come up again in Ex-Post review.