

**CPUC Staff Ex Ante Review**

CPUC Staff Project ID Number	PGE_23_T_C_847_PRJ - 04226388_Lighting
CPUC Directory Link	<a href="https://deeresources.info/cmpa/projects/20780">https://deeresources.info/cmpa/projects/20780</a>
PA	PGE
PA Application ID	PRJ - 04226388
PA Application Executed Date	
PA Program ID	PGE_COM_003
PA Program Name	Commercial Efficiency Program - Direct Install
PA Program Year	
Date of CPUC Staff Review:	4/11/2023
PA CMA Upload Dates Included in this review:	
First PA Upload	1/31/2023
Second PA Upload	2/28/2023
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	LIGHTING RETROFITNEW-EXT-LED-WALL MOUNTED
Measure 2	LIGHTING RETROFITNEW-EXT-LED-POLE MOUNTED
Measure 3	LIGHTING RETROFITNEW-EXT-LED-PARKING GARAGE
Measure 4	
Measure 5	
Measure 6	
Measure 7	
Measure 8	
Measure 9	
Measure 10	
PA Project Description:	A lighting project at a building replacing 23 LED parking garage fixtures 3 LED wall-mounted fixtures 20 LED pole-mounted area lights
Bi-Monthly Upload kW Demand Reduction	0.0
Bi-Monthly Upload Annual kWh Impacts	87,014.3
Bi-Monthly Upload Therm Impacts	0.0
PA Proposed Incentive \$ (to Customer)	\$10,441.72
Project Documentation kW Demand Reduction	0.0
Project Documentation Annual kWh Impacts	87,014.3
Project Documentation Annual Therm Impacts	0.0
Project Documentation Incentive \$ (to Customer)	4,266.1
CPUC Staff Primary Reviewer Name	
CPUC Staff Primary Reviewer Firm	DNV
CPUC Staff Review Supervisor Name	
CPUC Staff Review Supervisor Firm	DNV
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	PA Response	ED Resolution
1	<p>The project is one of fifteen similar LED upgrades implemented at the same national retail chain. All fifteen projects were submitted in a January 2023 bimonthly upload, and the total incentive across all fifteen projects is \$60,444. According to Resolution E-4818 (page 42), to avoid potential misuse of incentive cap limits (where a project might be sub-divided into multiple applications for purposes of receiving a different level of scrutiny), "it seems reasonable for CPUC staff to have discretion to aggregate applications when they are from the same customer and appear to be the same project." Therefore, in order to define the appropriate rigor for similar projects related to the same customer, incentive caps should be applied to the entire project with aggregated incentives.</p> <p>In the 2020 Early Opinion for Streamlined Review Process for Small Lighting Projects, the PA stated that only small lighting projects with incentives less than \$25,000 will be submitted for custom project review (CPR) after project installation. Given this customer's incentive across all similar applications exceeded this threshold, the PA was required to submit this project for CPR prior to implementation.</p>	PA program rules	<p>PG&amp;E understands that "it seems reasonable for CPUC staff to have discretion to aggregate applications when they are from the same customer and appear to be the same project" but doesn't fully agree that we did not follow previous CPUC guidance. While it could be assumed that the applications appear to be the same project, the Customer states that each decision is made on a site by site basis (PRJ-04243858_SitebySiteDecision Email-CONF.pdf), so these projects were submitted individually according to the PA's Early Opinion (EO).</p> <p>Also, the guidance in the Disposition for CPR 752 was not entirely clear, "Note that in an Early Opinion submitted by the PA in 2020 (PG&amp;E Streamlined Review Process for Small Lighting Projects), the PA stated that "Multi-site projects or large customers/chains need "original" influence narrative and evidence in addition to ARQ". However, the PA did not follow this approach for this customer. Please provide this information for future submission of the project." PG&amp;E didn't resubmit CPR 752 and agreed with the rejection of the project due to the lack of "original" influence narrative and evidence in addition to ARQ. As a result, PG&amp;E took action to pre-screen "original" influence narrative documentation and evidence according to the intent of the EO for chain customers to prove individual decision making. PG&amp;E notified Commission staff on the 6/6/2022 bi-weekly call of this new process and weren't provided with any feedback or additional guidance.</p> <p>In the pre-screening of this project, PG&amp;E felt the documentation provided for this customer and project was sufficient according to screening process and the guidance from the Disposition for CPR 752. The "original" influence narrative (PRJ-04226388_Influence Narrative-CONF.docx) and evidence (PRJ-04226388_Audit Email-CONF.pdf, PRJ-04226388_Decision Email-CONF.pdf, and PRJ-04226388_SAA-CONFIDENTIAL.pdf) in addition to the ARQ (PRJ-04226388_ARQ-CONF.pdf) were provided.</p>	The review team acknowledges that PGE did provide original influence documentation in addition to the ARQ. However, we did not find sufficient evidence that the customer considered each of the fifteen LED upgrades on a site-by-site basis. We have modified the action category to reflect the fact that the aggregate incentive exceeded the \$25,000 incentive maximum for Custom Lite projects as defined by the Early Opinion.
2	The submitted influence documentation includes an Accelerated Replacement Questionnaire (ARQ). As stated at the top of the ARQ form, "This form is only valid for Custom Lite projects qualified for < \$25,000 incentive. For lighting projects >= \$25,000 incentives must use the SW Project Feasibility Study and Preponderance of Evidence guidance." Given that the aggregate incentive across the fifteen similar projects is \$60,444, the ARQ could not be used in lieu of traditional POE requirements for equipment viability and program influence.	Program influence	PG&E understands the POE rigor requirements for different levels of incentives. The ARQ is used as a supplemental document with the Customer signed affidavit.	
3	The \$60,444 aggregate incentive corresponds to the medium-rigor tier for influence documentation, per Resolution E-5115. Section 4.3 of E-5115 requires, among other items, the following information for medium-rigor projects: the customer's motivating factors for project development, the customer's decision-making process for selecting specific energy efficiency measure option(s), and barriers to adopting new energy efficiency measures. The project submittal did not include this information.	Program influence	PG&E understands the influence requirements for different levels of incentives.	The review team has modified the action category.
4	The \$60,444 aggregate incentive corresponds to the medium-rigor tier for preponderance of evidence requirements for equipment viability, including (among other items, per E-5115 Section 4.2): maintenance records, equipment ages, reliability history and issues, and current plans or budgeting for remodels or replacements. The project submittal did not include this information.	ER preponderance of evidence	Not clear why this needs to be a separate comment	The review team has modified the action category.

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Note or Instruction Number:	CPUC Staff Notes or Instructions:	Instruction Category	PA Response	ED Resolution
1	<p>As stated in the disposition for CPR 841, the review team has requested PG&amp;E to work with CPUC staff revise the process for the Small (less than \$25K incentives) lighting projects to: (1) review and revise POE documentation per E-5115 resolution, (2) update program/project types that can be submitted for CPR after installation, and (3) update project documentation requirements (e.g., project feasibility study report).</p> <p>While the ARQ was not allowed for this project, the review team notes that the ARQ still does not address the following questions required for low-rigor projects per E-5115 page 17:</p> <ol style="list-style-type: none"> <li>1. Describe this project's development, including factors and decision points that led to the customer's decision to replace the existing equipment.</li> <li>2. Describe the project developer's services provided to the customer and timing of developer's engagement compared to customer's decision-making process.</li> <li>3. Describe any major repairs performed to the existing equipment, not related to a full system overhaul, in the last 24 months.</li> <li>4. Describe any maintenance issues for the existing equipment, including maintenance costs, in the last 36 months.</li> <li>5. Demonstrate that the project is not part of the customer's scheduled maintenance or equipment upgrade. Provide information to demonstrate that the customer was not going to do this energy efficiency project anyway.</li> </ol>	Program influence	<p>PG&amp;E has been trying to work with CPUC staff and other IOU's. It took several months before others finally showed enough interest to start a statewide (SW) working group.</p> <p>On 4/7/2023, a draft of the new SW EO was sent out to the group for review.</p> <p>The previous CPUC guidance "we request PG&amp;E to work with other PAs to update the ARQ questions and scoring matrix " was not clear that Projects would be rejected because CPUC staff no longer felt that the PA's EO and ARQ sufficiently addressed E-5115.</p>	<p>The review team classified this observation as a note, rather than an exception, as the 15 projects (once aggregated) exceed the \$25k maximum for ARQ use. This note did not contribute to the rejection outcome. We are encouraged to hear the progress with the new SW EO.</p>

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"> <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>
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.