

CPUC Staff Ex Ante Review

CPUC Staff Project ID Number	PGE_24_T_I_962_PRJ - 04731018_Process
CMPA Directory Link	https://deeresources.info/cmpa/projects/21417
PA	PGE
PA Application ID	PRJ - 04731018
PA Application Executed Date	
PA Program ID	PGE_Ind_002
PA Program Name	CLEAResult - Business Energy Performance Ind - Customized Retrofit
PA Program Year	
Date of CPUC Staff Review:	1/7/2025
PA CMPA Upload Dates Included in this review:	
First PA Upload	11/8/2024
Second PA Upload	12/16/2024
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 RETROFITNEW-OTHER ELECTRIC-MODIFY PROCESS
Measure 2	
Measure 3	
Measure 4	
Measure 5	
Measure 6	
Measure 7	
Measure 8	
Measure 9	
Measure 10	
PA Project Description:	The Nitrogen Tank Recovery project at the customers ██████ Manufacturing Light Industrial site consists of the installation of a nitrogen capture system that utilizes a blower and vaporizer to capture vented gas from two existing nitrogen holding tanks to reduce the amount of nitrogen feed produced
Bi-Monthly Upload kW Demand Reduction	169.0
Bi-Monthly Upload Annual kWh Impacts	1,450,469.0
Bi-Monthly Upload Therm Impacts	0.0
PA Proposed Incentive \$ (to Customer)	\$199,399.90
Project Documentation kW Demand Reduction	169.0
Project Documentation Annual kWh Impacts	1,450,468.7
Project Documentation Annual Therm Impacts	0.0
Project Documentation Incentive \$ (to Customer)	199,399.9
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 ready to proceed with exception(s), as noted
For rejection, action required:	N/A
M&V Review:	Post M&V Review (M&V Results and Final Calculations) Required

Action Number:	Summary of CPUC Staff Required Action by the PA:	Action Category	PA Response	ED Resolution
1	Please submit this project for post-installation review.	Continue Document Upload		
2	The submittal contains contradictory information regarding measure application type (MAT). The PFS, bimonthly upload data, and calculation file each indicate an MAT of Add-On Equipment (AOE); however, as clarified through data requests by the review team, PGE intends to submit the project as Normal Replacement (NR). Please ensure that all pertinent files reflect the NR MAT and the associated standard practice baseline.	Measure type		
3	The measure is most appropriately classified as a Normal Replacement of failed add-on equipment. The prior add-on equipment was incentivized by PG&E in 2016 and operated through 2022, at which point the system "was deemed unsafe due to design flaws" (PFS page 6). It is unclear if the prior AOE ever operated satisfactorily between 2016 and 2022. If so, the M&V plan should be revised to compare the prior system's energy consumption with the measured energy consumption of the proposed system in order to comply with Resolution E-4818's requirement that "when broken add-on equipment is fixed or replaced, energy consumption should return to previous levels" (page 27).	M&V plan		
4	The kWh savings estimate corresponds to approximately 4% of the affected BLAC compressor's kWh consumption per year. It will therefore be challenging to isolate project savings by comparing the pre- and post-project power draw of the BLAC compressor. The review team recommends that the M&V plan is enhanced to also measure the total amount of nitrogen recovered per hour, which will inform the maximum possible savings. The pre-installation savings value is based on the estimated total flowrate of recovered nitrogen, about half of which was derived from rules of thumb. The M&V plan should address how the post-installation data collection will refine those estimates with actual data, either using the facility SCADA or through original metering.	M&V plan		

5	<p>The NR MAT requires assessment of standard practice baseline. Since the proposed equipment is not covered by any applicable CPUC-published standard practice documents or by applicable codes or standards, Section 5.3 of ISP Guidance Document Version 3.1 applies. Page 33 addresses this specific scenario: "If a customer's only other option is simply doing nothing and the project developer wishes to use existing equipment as the energy baseline, the project should pass the POE requirements approved by the CPUC to qualify for accelerated replacement." The submittal does not currently address all POE documentation requirements set forth in E-5115 Section 4.4 to demonstrate the viability of the existing system to serve as baseline.</p>	Missing required information		
6	<p>The submittal contains contradictory information regarding if the measure constitutes like-for-like replacement of add-on equipment. The review team sought clarification via data request, to which the implementer indicated that the proposed AOE features design enhancements as compared to the previous system and therefore should not be considered like-for-like. However, the "Baseline Memo" submitted as part of the data request response indicates that "The project proposes complete change of the existing AOE which fits as NR and the project is a like-replacement of the existing equipment." Resolution E-4818 addresses the topic of like-for-like replacement on page 56: "replacement of broken equipment (like-for-like replacements) have been viewed as required maintenance and have not qualified for incentives." The submittal should be revised to illustrate in more detail why the proposed system should <i>not</i> be considered like-for-like replacement of the failed AOE. Additionally, any language suggesting like-for-like replacement should be removed from pertinent files such as the Baseline Memo.</p>	Eligibility		
7	<p>Given the safety issues with the prior AOE system, the implementer should amend the M&V plan to include measurement of relevant operating parameters, such as ambient temperatures before and after the vaporizer and blower, to ensure that the proposed system operates within acceptable tolerances.</p>	M&V plan		

Note or Instruction Number:	CPUC Staff Notes or Instructions:	Instruction Category	PA Response	ED Resolution
1	The project cost estimate is mostly unsupported, with the majority of the cost (\$500,000 for equipment) not substantiated by a vendor quote or other alternative source.	Measure cost		

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.