

MEMO

DATE: November 13, 2012

TO: Randy Kwok, PG&E

FROM: [REDACTED]

RE: PG&E NC0117386 and PG&E NC0120306 (EEGA 2281)

Background:

Energy Division selected PG&E NC0120306 for ED review in July 2012. PG&E provided documentation for this application in August 2012. In response to ED's follow-up data request, PG&E informed ED that some of the measures originally shown in the application documents had been moved into a third party program and are documented under application number NC0117386. PG&E recently informed ED that the post field inspection for NC0117386 has been completed and final internal review is pending for the project, with incentive payment expected by the end of November 2012.

Conclusion:

1. ED will continue to review PG&E NC0120306 (BASE Energy).
2. ED will waive further review of PG&E NC0117386 ([REDACTED]), however, please note, that "live" engineering models and calculations for this project will be requested by ED to inform both baseline determination and interactive effects for PGE core project that ED will review (PGE NC0120306 listed in 1. above).
3. ED's preliminary review of PG&E NC0117386 notes that the application documents did not clearly define the baseline for each measure. The basis for Industry Standard Practice was not addressed or documented. Future applications should provide demonstration and documentation for the selected baseline of each measure.
4. ED found that the design documents for the project provided by PG&E stated that the controls for the refrigeration plant, which are the subject of some of the measures documented in PG&E NC0117386, were to be identical to the controls in an existing plant at the same facility. This indicates to ED that many of these measures are likely free riders. ED requests that PG&E be more diligent for future projects in assessing free ridership issues associated with custom applications.