

CPUC Staff Ex Ante Review

CPUC Staff Project ID Number	SCE_NA_C_I_56; [REDACTED]
CMPA Directory Link	https://deeresources.info/cmpa/projects/18764
PA	SCE
PA Application ID	[REDACTED]
PA Application Executed Date	11/17/2019
PA Program ID	SCE-13-SW-003D
PA Program Name	Industrial Strategic Management Program (SEM)
PA Program Year	2019
Date of CPUC Staff Review:	11/12/2020
PA CMPA Upload Dates Included in this review:	
First PA Upload	9/1/2020
Second PA Upload	10/6/2020
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	
Measure 2	
Measure 3	
Measure 4	
Measure 5	
Measure 6	
Measure 7	
Measure 8	
Measure 9	
Measure 10	
PA Project Description:	0
Bi-Monthly Upload kW Demand Reduction	[REDACTED]
Bi-Monthly Upload Annual kWh Impacts	[REDACTED]
Bi-Monthly Upload Therm Impacts	[REDACTED]
PA Proposed Incentive \$ (to Customer)	[REDACTED]
Project Documentation kW Demand Reduction	[REDACTED]
Project Documentation Annual kWh Impacts	[REDACTED]
Project Documentation Annual Therm Impacts	[REDACTED]
CPUC Staff Primary Reviewer Name	[REDACTED]
CPUC Staff Primary Reviewer Firm	[REDACTED]
CPUC Staff Review Supervisor Name	[REDACTED]
CPUC Staff Review Supervisor Firm	[REDACTED]
PA Primary Reviewer Name	0.0
PA Primary Reviewer Firm	0.0
CPUC Staff Project Manager	[REDACTED]
CPUC Staff Policy Authorization (as needed)	
CPUC Staff Recommendation:	Advisory
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	Due Date	PA Response	ED Resolution
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1	<p>The "Hypothesis Model Report - Gas" does not include description of why the Drybulb Temperature variable was adjusted to [REDACTED] or the methodology to do so. The report also did not include a Time Series Plot or Scatter Plot of "Daily kWh vs. [REDACTED]". Please update report to include these items.</p>	Analysis assumptions	N/A	<p>Page 3 of the submitted "Hypothesis Model Report – Gas" states that "gas use increases by about [REDACTED] Therms per degree below [REDACTED] F in the average dry bulb temperature due to the increased heating load." In other words, no additional gas is used for heating above an ambient temperature of [REDACTED] F.</p> <p>[REDACTED] updated the report to include "Figure 14: Therms and [REDACTED] – Dry Bulb" to address the second item identified. The Dry bulb temperature plots were included covering the full range of temperature rather than limiting it to just below [REDACTED]. This provides more information than the limited data set alone to help visualize the change-point (if there is one).</p>	No further comment
2	<p>An error in the Hypothesis Model Report was observed regarding the determination of multicollinearity. Table 6 titled "Matrix of Correlation between Variables" represents the Correlation Coefficient (also known as R) between each set of variables, and the text accompanying the table describes the criteria used for assessing multicollinearity as, "An absolute value of bivariate correlation > 0.7 is not an exclusionary criterion, ..." According to Annex C of the CA Industrial SEM MV Guide, however, the criterion for examining collinearity is based on the Coefficient of Determination, or $R^2 > 0.7$, rather than the Coefficient of Correlation, R, used in the reports. We suggest examining the variables based on the Coefficient of Determination, R^2, to reassess the multicollinearity and inclusion of variables in the models.</p>	Calculation method	N/A	<p>Please note that the SEM M&V Guide does not require variables with high colinearity be removed. This change makes the colinearity test less restrictive. For example, a suggested limit on R-squared of 0.7 is equivalent to a limit on R of 0.84. No variables were excluded based on the Matrix of Correlation using R, so making this less restrictive would also result in no variables being excluded. This may mean that some of these variables add little new information to inform the model. There may be a risk of overfitting. [REDACTED] will reassess the independent variables to see if it can reduce the colinearity among the models for the future savings report.</p>	No further comment
3	<p>Please update Figure 4 of the Hypothesis Model reports, which show time series plots of the actual and predicted usage, to be line charts rather than points, as representation by points make it difficult to properly compare the results.</p>	Analysis assumptions	N/A	<p>The raw data files are always provided with the package for reviewers to perform an in depth review and analysis. The visualization of the charts and graphs in the report are a matter of preference and we did not have any issues with them as presented. This request does not impact the project or projected savings.</p>	No further comment
4	<p>There is a discrepancy between Table 1 and Table 4 of the "Hypothesis Model Report - Natural Gas" in which the stats of the "selected" model do not match. Table 1 represents the model reflected by the data/model review files provided. Please review to determine the reason for the discrepancy, and update the report or model as needed.</p>	Calculation method	N/A	<p>CPUC staff noted Table 4 in this item but we believe that CPUC staff meant Table 5. All of the tables were reviewed and we found Table 1 values to have been reported correctly with the Table 5 values needing to be updated. [REDACTED] has updated the Table 5 values and they are now matching. The model did not require an update.</p>	Thank you. No further comment
5	<p>Data missing in the bimonthly upload: measure description, address, and sector.</p>	Missing required information	N/A	<p>Per SCE/CPUC bi-weekly call on 12/3/2020 (Please refer to the meeting notes for more details), CPUC staff and SCE clarified that CPUC staff could have made this comment because CPUC staff didn't realize that there is the updated version with all fields populated per [REDACTED] request prior to this package submittal. During this call, we have confirmed that SCE's the latest bi-monthly list (submitted on 09/01/20) there is no missing data. SCE recommends to remove this item from the disposition.</p>	Remove action item

6	Savings from bimonthly upload does not match values in project package	Other - savings do not match bimonthly upload	N/A	Per SCE/CPUC bi-weekly call on 12/3/2020 (Please refer to the meeting notes for more details), CPUC staff and SCE clarified that CPUC staff has requested "rough estimates" for the bi-monthly list with estimates of savings and incentives filled to help CPUC staff selection. During this call, CPUC staff has acknowledged that this comment doesn't apply based on our prior discussions captured in the CMPA message. SCE recommends to remove this item from the disposition	Remove action item
7	Initial savings estimates based on █% of annual kWh consumption and █% of gas consumption. Please provide documentation supporting the fractional savings estimates.	Analysis assumptions	N/A	The Scoping Report is developed before the implementer has done any work at the site. Therefore the █% estimation is acceptable, as no investigations or treasure hunts have been performed prior to the Scoping study. Choosing a target savings value of 10% or more is an acceptable practice to understand how accurately the savings may be reported. Page 63 of the Design Guide asks for the Scoping Report to include "Estimated Savings" but does not specify that any documentation is required.	█% as a placeholder value seems high and may result in an underestimate of the upfront fractional savings uncertainty for projects using an IPMVP Option C approach. Whole facility savings fractions on the order of 3%-5% are more common for SEM projects. Suggest tracking actual savings fractions from completed projects and updating the █% assumption as results come in.

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	<p>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.</p>
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"> • 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>