

Decision _____

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking Concerning Energy Efficiency Rolling Portfolios, Policies, Programs, Evaluation, and Related Issues.

Rulemaking 13-11-005

DECISION GRANTING COMPENSATION TO NATURAL RESOURCES DEFENSE COUNCIL (NRDC) FOR CONTRIBUTION TO DECISION 17-09-025

Intervenor: Natural Resources Defense Council (NRDC)	For contribution to Decision (D.) 17-09-025
Claimed: \$12,500.00	Awarded: \$ 12,500.00
Assigned Commissioner: Carla Peterman	Assigned ALJ: Julie Fitch and Valerie Kao

PART I: PROCEDURAL ISSUES

A. Brief description of Decision:	D.17-09-025 1) adopts energy savings goals for ratepayer-funded energy efficiency program portfolios for 2018 and beyond based on assessment of economic potential using the Total Resource Cost test, the 2016 update to the Avoided Cost Calculator and a greenhouse gas adder that reflects the California Air Resources Board Cap-and-Trade Allowance Price Containment Reserve Price; 2) defers adoption of cumulative goals until Commission Staff can assess the viability of using a method for calculating savings persistence, to be developed by the California Energy Commission.
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B. Intervenor must satisfy intervenor compensation requirements set forth in Pub. Util. Code §§ 1801-1812:

	Intervenor	CPUC Verified
Timely filing of notice of intent to claim compensation (NOI) (§ 1804(a)):		
1. Date of Prehearing Conference (PHC):	December 11, 2013	Verified
2. Other specified date for NOI:	n/a	
3. Date NOI filed:	January 10, 2014	Verified
4. Was the NOI timely filed?		Yes

Showing of customer or customer-related status (§ 1802(b)):		
5. Based on ALJ ruling issued in proceeding number:	A.17-01-013 et al.	Verified
6. Date of ALJ ruling:	May 3, 2017	Verified
7. Based on another CPUC determination (specify):	n/a	
8. Has the Intervenor demonstrated customer or customer-related status?		Yes
Showing of “significant financial hardship” (§ 1802(g)):		
9. Based on ALJ ruling issued in proceeding number:	A.17-01-013 et al.	Verified
10. Date of ALJ ruling:	May 3, 2017	Verified
11. Based on another CPUC determination (specify):	n/a	
12. Has the Intervenor demonstrated significant financial hardship?		Yes
Timely request for compensation (§ 1804(c)):		
13. Identify Final Decision:	D.17-09-025	Verified
14. Date of issuance of Final Order or Decision:	October 2, 2017	Verified
15. File date of compensation request:	December 4, 2017	Verified
16. Was the request for compensation timely?		Yes

PART II: SUBSTANTIAL CONTRIBUTION

A. Did the Intervenor substantially contribute to the final decision (*see* § 1802(i), § 1803(a), and D.98-04-059).

Intervenor’s Claimed Contribution(s)	Specific References to Intervenor’s Claimed Contribution(s)	CPUC Discussion
<i>(A) Behavioral Retro-commissioning and Other Measures (BROs)</i>	<p>NRDC was an active participant in Demand Analysis Working Group (DAWG) meetings regarding discussion and analysis on Behavioral, Retro-commissioning, and Other (BRO) measures energy efficiency potential.</p> <p>NRDC commented informally (5/1/2017) and pointed out a potential calculation error in BRO market penetration and offered suggestions on improving BRO measure characterization reporting. These suggestions were addressed in the decision (see Table 3-28, Page 76 of Appendix 1 to the Decision 17.09.025). Excerpts from NRDC’s comments:</p> <ul style="list-style-type: none"> • <i>“An indication of the state of knowledge is an important risk-assessment signal to stakeholders and program administrators. (For e.g., although these newer BRO measures may have high per unit estimates of energy savings potential, the uncertainties associated with</i> 	Verified

	<p><i>measure savings are high as well.) This can be accomplished by estimating and labeling the “State of Knowledge” of each measure as “High”, “Medium”, “or “Low””.</i></p> <ul style="list-style-type: none"> • <i>“The sum of the estimated 2030 measure penetration for all residential behavioral measures (HERS, Web Real Time Feedback, IHD Real Time Feedback, Small Challenges and Competitions, and Large Challenges and Competitions) for PG&E service territory is 93% in the Reference Scenario, and 181% in the Aggressive Scenario. This implies that the likelihood of the same residential customer adopting multiple behavioral measures is high. This in turn implies that the unit energy savings for out-years may need to be adjusted as those measures compete for similar savings.” This is a technical recommendation and can be verified by through the PGT BRO model available at: ftp://ftp.cpuc.ca.gov/gopher-data/energy_division/EnergyEfficiency/DAWG/2018_PG_Study_BROS_Model_092517.xlsx</i> 	
<p><i>(B) Low Income (LI) Potential Determination</i></p>	<ul style="list-style-type: none"> • NRDC advocated that the current study only calculates IOU planned potential savings, not achievable/ market potential savings. This suggestion was adopted in the final report. Quoting NRDC comments <i>“The savings potential reported for Low Income are not a true “Market Potential” but more of a “forecast of IOU planned activity””</i> D.17-09-025 (Appendix 1 Page 23). • NRDC recommended, (through informal comments submitted on 5/1/2017) that LI treatment and retreatment unit energy savings (UES) should be presented separately to avoid confusion. While this suggestion did not appear in the final report, it contributed to a robust record of discussion. <i>“The UES for 2018 is a weighted average of treatment UES per home and re-treatment UES per home; these treatment and re-treatment per home UES comprise of different set of individual measures. Moreover, these lists of measures in the treatment and re-treatment UES are different from the list of measures that made up the LI per home UES in the 2015 study”</i> • NRDC recommended, through informal comments submitted on 5/1/2017, that future LI potential studies should quantify technical and economic potential in the LI sector (which is not being quantified currently), and proposed methods and data sources to accomplish this. 	<p>Verified</p>

	<p><i>“Technical and Economic potential are not currently calculated for the LI sector. Without these potential savings estimates, it is impossible to understand whether the IOU Planned Potential Savings estimates (a.k.a. LI market potential in the 2015 study) are a reasonable fraction of the total available and feasible energy savings in the LI sector. Data required to conduct this analysis are available.”</i></p> <ul style="list-style-type: none"> • NRDC requested that the Commission make clear that the low-income portion of Navigant’s Potential Study is not a true potential analysis and a comprehensive study to set goals in General Energy Efficiency or Energy Saving Assistance Program proceedings should be conducted as soon as possible. D.17-09-025 (page 46) took NRDC’s recommendation into consideration and stated that “8. <i>The next update of the potential and goals study will include a low-income potential analysis as required by D.16-11-022”</i> 	
<p><i>(C) Market Potential Model Construction and Calibration</i></p>	<p>NRDC expressed concern over the data being applied to calibrate the model in response to the ALJ ruling inviting comments on the potential study.</p> <ul style="list-style-type: none"> • NRDC Comments, page 4, (7/7/2014) in response to ALJ Ruling (6/15/2017) • <i>“NRDC is concerned that the Navigant model may not be applying the most recent publicly available data to calibrate energy efficiency program expenditure. 2016 program expenses are publicly available, planned budgets for 2018 are publicly available as well.”</i> • <i>D.17-09-025, p.32: “NRDC understands that the Commission will use a calibrated model for this study. At this point, NRDC’s primary concern is that the model is not using the most recent publicly available data on energy efficiency program expenditure for calibration. To explain, NRDC notes that the model estimates 2018 expenditures between \$400 million and \$1 billion, while program administrators’ reported 2016 expenses are approximately \$650 million and their forecasted 2018 budgets are approximately \$827 million. NRDC reasons that the “model calibration and forecasts should be aligned with this recent data for the TRC reference scenario since the Program Administrators proposed these budgets based on a cost-effective portfolio under the TRC test.” We confirm that Navigant used budget</i> 	<p>Verified</p>

	<p><i>data from the 2013-2015 program years, due to the lack of a complete 2016 dataset at the time Navigant started the calibration task.”</i></p>	
<p><i>(D) Cost Effectiveness Methodology Including Greenhouse Gas Adder</i></p>	<p>NRDC Comments (7/7/2014) in response to Proposed ALJ Ruling (6/15/2017):</p> <ul style="list-style-type: none"> • NRDC recommended that the GHG adder should be accounted for in all energy efficiency cost-effectiveness tests. This suggestion was adopted in the final decision. <i>“The GHG adder should be accounted for in all energy efficiency cost-effectiveness tests.”</i> D.17-09-025 adopted a scenario with a GHG adder to current avoided costs (page 45) • NRDC suggested that the PAC tests should be used to determine cost effectiveness for economic potential. <i>“NRDC strongly urges the commission that the PAC be applied in the short term to determine potential and goals of the Program Administrators as the Commission continues to explore the one-consistent-framework for evaluating cost-effectiveness through the Integrated Distributed Energy Resources (IDER) proceeding.”</i> <p>NRDC further advocates that (opening comments 7/7/2017 and reply comments 7/14/2017):</p> <ul style="list-style-type: none"> • <i>“The cap-and-trade allowance price does not represent the cost of carbon; the Commission should apply an adder consistent with the Integrated Resources Proceeding (IRP) as recommended by NRDC”</i> (Discussed in D.17-09-025 page 15) • <i>“The GHG Adder does not impact customer willingness to adopt a measure in the Potential and Goals (PG) model; this issue does not need to be researched before a GHG adder is adopted for this study.”</i> (Discussed in D.17-09-025 page 19) 	

<p><i>(E) Suggestions to Improve Future Versions of the Potential Model</i></p>	<p>NRDC commented on the Decision to adopt Potential Goals and Targets to offer actionable suggestions for improving future CPUC potential studies.</p> <ul style="list-style-type: none"> • NRDC opening comments filed on 9/14/2017 in response to the proposed decision • <i>“Calibration Methodology: The most appropriate data to calibrate the PGT model may not be program accomplishments, but rather market data.”</i> • <i>“Low-Income Potential Estimate: As the CPUC’s intention is to develop a robust low-income potential savings estimate,¹ we recommend relying on the existing Residential Appliance Saturation Survey (RASS) data, which contains indicators of household income level.”</i> • <i>“Estimates of Industrial and Agricultural Energy Savings Potential” ... “The next update to this study should aim to develop a more robust estimate of potential for these sectors and (at a minimum) consider any research conducted by the CEC to better understand these sectors.”</i> • <i>“Modeling AB 802: The resolution for the current update to the Database for Energy Efficiency Measures (DEER) rescinded the use of adjustment factors to discount net early replacement savings. This update should be made to the potential study as well.”</i> • <i>“Incremental and Cumulative Savings Accounting” ... “This issue should be prioritized for resolution in the upcoming study as the uncertainty identified in the Proposed Decision regarding customer re-participation assumptions impacts the amount of incremental and cumulative potential estimates that are ultimately used to set energy saving goals...”</i> • <i>“Measure Unit Energy Savings Update” “The CPUC should leverage this property of the DEER to save time and effort required for measure aggregation thus freeing up resources for research into other outstanding issues such as those noted above.”</i> 	<p>Verified</p>
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¹ Proposed Decision Section 2.3.3.6. *“The next update of the potential and goals study will include a low-income potential analysis as required by D.16-11-022.”*

	<ul style="list-style-type: none"> • <i>“Study Schedule: NRDC requests that the schedule for the update to the PGT model be made publicly available for stakeholder comment to ensure that time and resources are being allocated appropriately across study objectives (including the issues mentioned in this document).”</i> 	
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B. Duplication of Effort (§ 1801.3(f) and § 1802.5):

	Intervenor’s Assertion	CPUC Discussion
a. Was the Office of Ratepayer Advocates (ORA) a party to the proceeding? ²	Yes	Verified
b. Were there other parties to the proceeding with positions similar to yours?	Yes	Verified
c. If so, provide name of other parties: PG&E, SCG, SDG&E, SCE, TURN, ORA, Bay Area Regional Energy Networks, Southern California Regional Energy Networks and CA Energy and Demand Management Council.		Verified
d. Intervenor’s claim of non-duplication: NRDC’s advocacy was not duplicative as we worked closely to discuss areas of synergies prior to filing comments. In addition, NRDC is uniquely positioned as an environmental group, providing recommendations with somewhat different focus than a number of other parties. Our time claimed are for substantive contributions that were either additive or supplemental to other parties. All calls with other parties were focused on resolving key issues ahead of time and were kept as brief as possible. In addition, NRDC took steps to ensure no duplication of work within our organization by assigning specific issues, tasks, and workshops/meetings to one team member. In fact, only Mr. Mohit Chhabra’s time is claimed for overall work as the proceeding even though Ms. Lara Ettenson and Mr. Miller provided substantial support developing positions and reviewing comments for substantive input.		Verified

PART III: REASONABLENESS OF REQUESTED COMPENSATION

A. General Claim of Reasonableness (§ 1801 and § 1806):

<p>a. Intervenor’s claim of cost reasonableness: NRDC consistently advocates for policies to maximize cost-effective procurement</p>	<p><u>CPUC Discussion</u></p>
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² The Division of Ratepayer Advocates was renamed the Office of Ratepayer Advocates effective September 26, 2013, pursuant to Senate Bill No. 96 (Budget Act of 2013: public resources), which was approved by the Governor on September 26, 2013.

<p>and use of clean energy resources, ensure that the benefits of clean energy resources are properly accounted for, and that policies and goals align to enable the utilities to use clean energy as their first energy resource choice (as required by California law). NRDC’s continued focus in this and other proceedings is on policies that ensure a reliable, affordable, and environmentally sustainable energy resource portfolio that should have lasting benefits to customers. In addition, NRDC continually works to increase collaboration to reduce disagreement prior to filing formal comments.</p>	<p>Noted</p>
<p>b. Reasonableness of hours claimed:</p> <p>The substantial contributions to Commission policy and process described above would not have been possible without the individual contributions of NRDC staff leads. We ensured a reasonable amount of hours are claimed by assigning one person per major topic, with minimal time spent by other staff focused predominately on enhancing NRDC’s substantive arguments.</p> <p>The amounts claimed are further conservative for the following reasons: (1) No time is claimed for internal coordination, only for substantive policy development; (2) we do not claim time for the majority of substantive review by NRDC staff, even though their expertise was critical to ensuring productive recommendations and substantive improvements to NRDC’s positions and formal filings; and (3) we claim no time for travel, clerical work, photocopies/postage, or any other related fees.</p> <p>In addition, the rates requested by NRDC are purposefully conservative and low on the ranges approved by the Commission, even though the levels of expertise of would justify higher rates. NRDC maintained detailed time records indicating the number of hours that were devoted to proceeding activities. All hours represent substantive work related to this proceeding.</p> <p>In sum, NRDC made numerous and significant contributions on behalf of environmental and customer interests, all of which required research and analysis. We took every effort to coordinate with other stakeholders to reduce duplication and increase the overall efficiency of the proceeding. Since our work was efficient, hours extremely conservative, and billing rates low, NRDC’s request for compensation should be granted in full.</p>	<p>Verified</p>
<p>c. Allocation of hours by issue:</p> <p>A = 9.75 hours/16%</p> <p>B = 10.75 hours/17%</p> <p>C = 4 hours/7%</p> <p>D = 9.50 hours/15%</p> <p>E = 7 hours/11%</p> <p>F = 20.50 hours/33 %</p> <p>Total hours = 61.50</p>	<p>Verified</p>

B. Specific Claim:*

CLAIMED						CPUC AWARD		
ATTORNEY, EXPERT, AND ADVOCATE FEES								
Item	Year	Hours	Rate \$	Basis for Rate*	Total \$	Hours	Rate \$	Total \$
Mohit Chhabra Expert	2017	61.50	\$200	Res ALJ-329 D.08-04-010	\$12,300.00	61.50	\$200.00 [A]	\$12,300.00
<i>Subtotal: \$12,300.00</i>						<i>Subtotal: \$ 12,300.00</i>		
OTHER FEES								
Describe here what OTHER HOURLY FEES you are Claiming (paralegal, travel **, etc.):								
Item	Year	Hours	Rate \$	Basis for Rate*	Total \$	Hours	Rate	Total \$
n/a					n/a			n/a
INTERVENOR COMPENSATION CLAIM PREPARATION**								
Item	Year	Hours	Rate \$	Basis for Rate*	Total \$	Hours	Rate	Total \$
Mohit Chhabra Expert	2017	2.0	\$100		\$200.00	2	\$100.00	\$200.00
<i>Subtotal: \$200.00</i>						<i>Subtotal: \$200.00</i>		
COSTS								
#	Item	Detail			Amount	Amount		
	n/a				n/a			
TOTAL REQUEST: \$12,500.00						TOTAL AWARD: \$12,500.00		
<p>**We remind all intervenors that Commission staff may audit their records related to the award and that intervenors must make and retain adequate accounting and other documentation to support all claims for intervenor compensation. Intervenor’s records should identify specific issues for which it seeks compensation, the actual time spent by each employee or consultant, the applicable hourly rates, fees paid to consultants and any other costs for which compensation was claimed. The records pertaining to an award of compensation shall be retained for at least three years from the date of the final decision making the award.</p> <p>**Travel and Reasonable Claim preparation time typically compensated at ½ of preparer’s normal hourly rate</p>								
ATTORNEY INFORMATION								
Attorney		Date Admitted to CA BAR ³		Member Number		Actions Affecting Eligibility (Yes/No?)		
n/a								

³ This information may be obtained through the State Bar of California’s website at <http://members.calbar.ca.gov/fal/MemberSearch/QuickSearch> .

C. Attachments Documenting Specific Claim and Comments on Part III:

Attachment or Comment #	Description/Comment
Attachment 1	Staff Hours and Issue Areas
Attachment 2	Mohit Chhabra's Resume
Comment 1	Mr. Chhabra's rate request of \$200 is reasonable given his nearly 11 years of experience in the demand side management industry. In his current role at NRDC, Mohit Chhabra focuses on affecting policy to accelerate the transition to a sustainable and clean energy future. He provides analysis and strategic guidance to policymakers and other stakeholders at the state, regional, and national levels. Chhabra has a wide range of experience in the energy sector, having helped develop the 2011 and 2013 statewide investor-owned utilities (IOU) potential goals and targets model for the California Public Utilities Commission (CPUC). As a contract analyst to the Northwest Power and Conservation Council's Regional Technical Forum (RTF), he conducted measure assessments and research, and provided input to regional energy-efficiency efforts. He holds a master's in civil environmental and architectural engineering from the University of Colorado, Boulder and a bachelor's in mechanical engineering from the University of Pune in India.

D. CPUC Disallowances and Adjustments:

Item	Reason
A	The Commission adopts the reasonable rate of \$200/hr. for Mr. Chhabra's contribution as an expert for Natural Resources Defense Council (NRDC) in D.17-09-025. Rate is commensurate to his 7-12 years of experience pursuant to the hourly rates chart on Resolution ALJ-345 for 2017.

PART IV: OPPOSITIONS AND COMMENTS

A. Opposition: Did any party oppose the Claim?	No
B. Comment Period: Was the 30-day comment period waived (<i>see</i> Rule 14.6(c)(6))?	Yes

FINDINGS OF FACT

1. Natural Resources Defense Council has made a substantial contribution to D.17-09-025.
2. The requested hourly rates for Natural Resources Defense Council's representatives are comparable to market rates paid to experts and advocates having comparable training and experience and offering similar services.
3. The claimed costs and expenses are reasonable and commensurate with the work performed.
4. The total of reasonable compensation is \$12,500.00.

CONCLUSION OF LAW

1. The Claim, with any adjustment set forth above, satisfies all requirements of Pub. Util. Code §§ 1801-1812.

ORDER

1. Natural Resources Defense Council is awarded \$12,500.00.
2. Within 30 days of the effective date of this decision, Pacific Gas & Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company shall pay Natural Resources Defense Council their respective shares of the award, based on their California-jurisdictional electric revenues for the 2016 calendar year, to reflect the year in which the proceeding was primarily litigated. If such data is unavailable, the most recent electric revenue data shall be used. Payment of the award shall include compound interest at the rate earned on prime, three-month non-financial commercial paper as reported in Federal Reserve Statistical Release H.15, beginning February 17, 2018, the 75th day after the filing of Natural Resources Defense Council's request, and continuing until full payment is made.
3. The comment period for today's decision is waived.
4. This decision is effective today.

Dated _____, at San Francisco, California.

APPENDIX**Compensation Decision Summary Information**

Compensation Decision:		Modifies Decision?	
Contribution Decision(s):	D1709025		
Proceeding(s):	R1311005		
Author:	Julie Fitch and Valerie Kao		
Payer(s):	Pacific Gas & Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company.		

Intervenor Information

Intervenor	Claim Date	Amount Requested	Amount Awarded	Multiplier?	Reason Change/Disallowance
Natural Resources Defense Council	December 4, 2017	\$12,500.00	\$12,500.00	N/A	N/A

Advocate Information

First Name	Last Name	Type	Intervenor	Hourly Fee Requested	Year Hourly Fee Requested	Hourly Fee Adopted
Mohit	Chhabra	Expert	NRDC	\$200	2017	\$200

(END OF APPENDIX)