

## Investor Owned Utility Coordination of Research Administration Plan & Coordination with EPIC

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# EPIC III Research Administration Plan (RAP)

2019 EPIC Symposium



# Agenda

- EPIC Evaluation Background
- Decision 18-10-052 Requirements
- Evaluation Recommendations
- Deep Dive on Specific Recommendations
- Next Steps

# EPIC Evaluation Background

- In 2016, the Commission determined in Decision 12-05-037 that an independent evaluation of the EPIC program should be conducted. Commission staff selected Evergreen Economics (Evergreen) to conduct the evaluation; Evergreen distributed its Evaluation on September 8, 2017.
- The overall objective of the evaluation was to “conduct a comprehensive evaluation of EPIC to identify opportunities to improve program management and effectiveness.”
- Based on the results of the evaluation, the Commission found that it is imperative that the IOU administrators develop and implement reasonable process improvements that are responsive to Evergreen’s findings and recommendations.
- Decision 18-10-052 requires the IOUs to prepare and serve a joint application containing a Research Administration Plan (RAP) that identifies the changes they will make to their administrative processes in response to Evergreen’s recommendations.

# Decision 18-10-052 Requirements

- The IOUs are required to incorporate the following components into the RAP application:

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| – Identify improvements that address 12 of the explicit recommendations from Evergreen’s Evaluation  |
| – Consult with CEC and stakeholders when preparing the application   |
| – Host two workshops: 1) pre-development technical workshop; 2) share completed draft application in a second workshop                         |
| – Identify any proposals included in the IOUs’ respective EPIC III applications that the IOUs believe should be modified or withdrawn/replaced |

- The IOUs are required to file the RAP application by May 1, 2019

# Evaluation Recommendations

Program Administration	<ul style="list-style-type: none"><li>• The administrators should provide more detailed justification for non-competitive bidding in their Annual Reports. The current administrative processes do not provide enough information to allow for appropriate oversight.</li><li>• The CPUC should require the IOUs to specify the funding amount for the noncompetitive award to make it easier to assess the fraction of funding that is being directly awarded. Such information would be useful to determine how much project funding is being directly awarded versus competitively bid.</li></ul>
Portfolio Optimization	<ul style="list-style-type: none"><li>• The administrators should collaborate in categorizing and summarizing projects (such as by technology type and/or policy area) and review projects by topic areas to ensure that the portfolio of projects effectively supports key policy goals.</li></ul>

# Evaluation Recommendations (continued)

Stakeholder Engagement	<ul style="list-style-type: none"><li>• The administrators should engage more stakeholders earlier in the investment planning process.</li><li>• The IOUs should provide more comprehensive information, to allow time for more meaningful engagement.</li></ul>
Administrator Project Selection Process	<ul style="list-style-type: none"><li>• The utilities should develop more transparent project selection criteria, which determine the project areas that are described in their Investment Plans as well as the specific projects that are eventually implemented.</li><li>• The utilities should share project research plans and budgets with the Commission and the public, at least one month prior to launch.</li></ul>
Match Funding	<ul style="list-style-type: none"><li>• The CEC should consider modifying the match funding requirement for TD&amp;D projects and make it optional.</li></ul>

# Evaluation Recommendations (continued)

Benefits Quantification	<ul style="list-style-type: none"><li>• The IOUs should develop more detailed processes to quantify benefits associated with their projects.</li></ul>
Results Dissemination	<ul style="list-style-type: none"><li>• SCE should share its project results more widely with interested stakeholders, including delivering presentations at conferences and workshops.</li></ul>
Project Impacts & Policy Alignment	<ul style="list-style-type: none"><li>• EPIC administrators should establish a process to ensure that once Applied R&amp;D projects are completed by the CEC, administrators consider the results and identify potential TD&amp;D projects.</li></ul>
On-Going Program Evaluation	<ul style="list-style-type: none"><li>• The administrators should create a single, centralized database containing all relevant information on active and completed EPIC projects along with monitoring and quarterly reporting of key performance metrics, in order to support the on-going evaluation of the Program.</li></ul>



# Deep Dive - Portfolio Optimization

*“The administrators should collaborate in categorizing and summarizing projects (such as by technology type and/or policy area) and review projects by topic areas to ensure that the portfolio of projects effectively supports key policy goals.”*

## Discussion Topics:

- Current non-duplication matrix is a good start, but opportunity to enhance
- Possible ideas on how to add to the existing non-duplication matrix:
  - Categorize/summarize projects by technology type and policy area
  - Ensure all relevant Federal and CA Legislation is included
- Example: Expediting innovation in transportation electrification

# Deep Dive - Stakeholder Engagement

*“The administrators should engage more stakeholders earlier in the investment planning process; and The IOUs should provide more comprehensive information, to allow time for more meaningful engagement.”*

## Discussion Topics:

- Conduct a stakeholder outreach session before each subsequent “wave” of EPIC projects is launched
- Conduct more frequent stakeholder outreach sessions
- Conduct more meetings with DACs
- Conduct more community outreach for EPIC projects that have field demonstration components
- Generate more engagement through IOUs’ EPIC websites

# Deep Dive - Benefits Quantification

*“The IOUs should develop more detailed processes to quantify benefits associated with their projects”*

## Discussion Topics:

- Convey benefits, including DAC benefits, in project closeout report
- Provide updates on realized benefits in subsequent annual reports
- Stop providing updates on benefits in annual reports if/when the project is transitioned to the GRC (since benefits are covered in GRC workpapers)

# Next Steps

- 3/15/19: Incorporate workshop feedback into RAP application
- 4/1/19: Conduct second workshop at SCE
- 5/1/19: IOUs jointly file RAP application