

**BEFORE THE PUBLIC UTILITIES Commission
OF THE STATE OF CALIFORNIA**

Application of Southern California Edison Company (U 338-E) for Approval of Energy Efficiency Rolling Portfolio Business Plan.	Application 17-01-013 (Filed January 17, 2017)
Application of San Diego Gas & Electric Company (U 902-M) to adopt Energy Efficiency Rolling Portfolio Business Plan Pursuant to Decision 16-08-019.	Application 17-01-014 (Filed January 17, 2017)
Application of Pacific Gas and Electric Company for Approval of 2018-2025 Rolling Portfolio Energy Efficiency Business Plan and Budget (U 39-M).	Application 17-01-015 (Filed January 17, 2017)
Application of Southern California Gas Company (U 904-G) for adoption of its Energy Efficiency Rolling Portfolio Business Plan and related relief.	Application 17-01-016 (Filed January 17, 2017)
In the matter of the Application of Marin Clean Energy for Approval of its Energy Efficiency Business Plan.	Application 17-01-017 (Filed January 17, 2017)

**NATIONAL ASSOCIATION OF ENERGY SERVICE COMPANIES
REPLY COMMENTS ON THE NOVEMBER 13, 2017 PROPOSED
DECISION ADDRESSING THIRD PARTY SOLICITATION PROCESS
FOR ENERGY EFFICIENCY PROGRAMS**

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December 11, 2017

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Pursuant to Rule 2.6 of the Rules of Practice and Procedure of the California Public Utilities Commission (“Commission”), the National Association of Energy Service Companies (“NAESCO”) hereby submits its comments on the November 13 proposed “Decision Addressing Third Party Solicitation Process for Energy Efficiency Programs” (Proposed Decision). NAESCO appreciates the opportunity that the Commission and the staff have given stakeholders to submit multiple comments on the key issues in this proceeding, as well as the opportunity to submit these reply comments.

Comments

NAESCO offers two reply comments on the comments of other parties, which were submitted on December 4, 2017.

1. The Proposed Decision Should be Changed to Adopt use of Independent Evaluators.

The Proposed Decision denied the consensus recommendation of all parties who took a position on the issue of use of Independent Evaluators (IEs). The Commission should reexamine the record in this proceeding and adopt use of IEs in its final decision. As SCE notes “The following diverse group of at least 10 parties supported the use of IEs: SCE, PG&E, SDG&E, The California Efficiency + Demand Management Council (Council), Coalition for Energy Efficiency (CEE), Greenfan, Inc., National Association of Energy Service Companies (NAESCO), Natural Resources Defense Council (NRDC), Office of Ratepayer Advocates (ORA), and Verified Inc.” (See SCE Opening Comments, page 3.) ORA agrees, noting that there is a substantial record in this proceeding in support of use of IEs (See ORA Opening Comments, pages 3 – 5.) SDG&E correctly notes that IEs can be “extremely beneficial” to PRGs. See (SDG&E Opening Comments, page 3.) NAESCO agrees with CLEAResult’s caveat that IEs must have expertise in demand side management in order to assist the Commission and PRGs. (See CLEAResult Opening Comments, page 5.)

In this proceeding, it is unusual for such a broad, diverse group of parties to come to an agreement on such a fundamental issue. This agreement was the result of many open, frank discussions in which parties worked together over long hours in good faith through the CAEECC process to compromise and come to agreement. The Commission should acknowledge the consensus of this large, very diverse group and order use of IEs with PRGs. Commission adoption of this consensus position will encourage parties to forge consensus on other policy issues in the future.

2. NAESCO Supports the Council’s Request to Extend Existing Contracts.

NAESCO supports the comments of The California Efficiency + Demand Management Council (Council) that the Commission should “extend existing contracts sufficiently to complete on-going work without interruption of service to customers.” (Council, pages 6-7) This extension is especially necessary for existing contracts for programs that proved services to large

C/I and institutional customers. The complex projects for these customers typically take 12-24 months to develop, and often involve extensive IOU and Commission staff review of Custom Measures. The Commission should allow the IOUs sufficient time to complete the projects currently in progress. NAESCO calls the attention of the Commission to the Federal Energy Management Program (FEMP) performance contracting program, which last May announced the award of a new round of several billion dollars' worth of Indefinite Delivery Indefinite Quantity (IDIQ) contracts for federal performance contracting projects, and allowed almost two years for the completion of projects currently in progress under the old IDIQ contract.

Respectfully submitted by,

A handwritten signature in black ink, appearing to read "Donald Gilligan". The signature is stylized and cursive, with a long horizontal stroke extending to the right.

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