

DOCKETED

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Joint Electric Program Investment Charge (EPIC) Administrator Workshop on EPIC Administration Costs

California Energy Commission
Pacific Gas & Electric
San Diego Gas & Electric
Southern California Edison

Housekeeping

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Opening Remarks from California Public Utilities Commission Staff



Workshop Overview

- Workshop Context & Objectives
- CEC & IOU EPIC Program Models
- EPIC Administrative Cost Framework
- EPIC Administrative Activities
- Discussion
- Additional Public Comment

Workshop Context & Objectives

CPUC Decision 21-11-028 required the EPIC Administrators to hold a joint workshop on EPIC administrative costs.

The Decision encourages administrators to use consistent administrative accounting.

There are differences between how the CEC and the IOUs administer the EPIC Program.

This workshop is meant to propose and define an administrative cost reporting framework to clarify and better understand EPIC administrative costs in a transparent manner.

Identify areas of consistency and provide rationale for areas where there are differences.

PG&E will submit a Tier 2 advice letter to CPUC on behalf of EPIC Administrators following this workshop.

IOU & CEC EPIC Program Models

Program Scope

- CEC – Applied Research and Development, Technology Demonstration & Deployment, Market Facilitation
- IOUs – Technology Demonstration & Deployment only

Implementation

- CEC – Investigates research opportunities, determine research goals, leads solicitation process, awards grants, and oversees external recipients who execute EPIC projects
- IOUs – Internally define and execute their projects, and source components of project work to external recipients as needed

EPIC Administrative Cost Framework



Administrative Cost Framework

Functional Cost Category	Definition	Cost Tracking	
		CEC	IOU
Labor (LA)	Salaries and wages, and associated benefits and payroll taxes for staff activities.	✓	✓
General and Administrative Expense and Overhead (GE)	Ongoing operating expenses such as rent, utilities, IT, and other similar costs.	✓	✓
Travel (TR)	Transportation, lodging and meal costs associated with staff travel.	✓	✓
Event Fees for Hosted and Attended Events (EV)	Costs associated with sponsoring, hosting, or attending events – including consortia/ memberships, conferences, venue rentals, and other similar costs	✓	✓
Supplies and Materials (SU)	Office supplies and equipment and other materials.	✓	✓
Contracted Services (CO)	Third-party provided services such as technical support for proposal evaluation, data subscriptions to supplement benefits analysis, and augmentation of internal staff for project oversight and program coordination.	✓	✓

EPIC Administrative Activities



Example Administrative Activities, 1/8

ID	Activities Category	Applicable to CEC	Applicable to IOUs	Reasons for Differences	Cost Category Mapping
1	Investment Plan Development				
1.1	Internal ideation and coordination	✓	✓	n/a	LA, GE, SU
1.2	External stakeholder coordination	✓	✓	n/a	LA, GE, SU, TR, EV
1.3	Investment plan drafting and filing	✓	✓	n/a	LA, GE, SU
2	Project Planning				
2.1	Solicitation Development	✓	x	IOUs don't develop external solicitations at this stage, as they execute projects internally, and conduct external sourcing for portions of project scope after project initiation	LA, GE, SU
2.2	Post-Solicitation Release Activities (pre-bid workshops, Q&A)	✓	x		LA, GE, TR, SU
2.3	Internal coordination to define specific projects	x	✓	The CEC does not define specific projects at this stage, and instead define solicitations for external project proposals.	LA, GE, SU
2.4	Socialization of proposed projects with external stakeholders	x	✓	The CEC does not socialize specific internally-defined project proposals, and instead solicits project proposals from external parties.	LA, GE, SU, TR, EV

Example Administrative Activities, 2/8

ID	Activities Category	Applicable to CEC	Applicable to IOUs	Reasons for Differences	Cost Category Mapping
3	Project Initiation				
3.1	Proposal evaluation	✓	✗	This is the CEC's evaluation of external project proposals, and not applicable to the IOUs as they develop their detailed project business plans internally.	LA, GE, SU, CO
3.2	New agreement development	✓	✗	This is the CEC's execution of agreements with the successful bidders that will execute the projects, and not applicable to the IOUs as they do not award projects in their entirety, and instead conduct external sourcing for portions of project scope after project initiation	LA, GE, SU
3.3	Detailed business plan development	✗	✓	This internal IOU development of detailed project business plans is analogous to external parties' development of detailed project proposals for CEC grants.	LA, GE, SU, CO
3.4	Leadership approval and funding release	✓	✓	n/a	LA, GE, SU, CO

Example Administrative Activities, 3/8

ID	Activities Category	Applicable to CEC	Applicable to IOUs	Reasons for Differences	Cost Category Mapping
4	Post-Initiation Vendor Sourcing				
4.1	Coordination to define project sourcing needs and strategies	x	✓	These IOU sourcing activities are analogous to the CEC activities under Project Initiation. Differences are that the IOUs conduct these for portions of project scope instead of the entire project, and do not always conduct competitive solicitations (RFPs).	LA, GE, SU, CO
4.2	Execution of sourcing strategies (RFI, RFP, direct award etc.)	x	✓		LA, GE, SU, CO
4.3	Negotiate terms & conditions and IP ownership	x	✓		LA, GE, SU, CO
5	Project Oversight & Governance				
5.1	Oversee project to ensure it stays on track and is achieving its objectives.	✓	✓	n/a	LA, GE, SU, TR, CO
5.2	Identify and manage any project interdependencies and help clear any roadblocks during execution	✓	✓	n/a	LA, GE, SU, TR, CO
5.3	Oversee project-level budget and ensure funds are being spent efficiently	✓	✓	n/a	LA, GE, SU, CO
5.4	Facilitate formal changes to project scope, schedule, or budget	✓	✓	n/a	LA, GE, SU, TR, CO

Example Administrative Activities, 4/8

ID	Activities Category	Applicable to CEC	Applicable to IOUs	Reasons for Differences	Cost Category Mapping
6	Stakeholder Communication, Engagement, and Outreach				
6.1	Develop publications, articles, press releases, conference presentations, etc.	✓	✓	n/a	LA, GE, TR, SU, CO
6.2	Conduct and participate in public workshops, EPIC Symposiums and other events	✓	✓	n/a	LA, GE, TR, EV, SU, CO
6.3	Coordinate with Disadvantaged Community Advisory Group	✓	✗	While the IOU EPIC teams coordinate with DACs, they do not participate in the DAC AG in the formal capacity the CEC does.	LA, GE, SU
6.4	Develop, manage, and curate online EPIC-related platforms	✓	✓	n/a	LA, GE, SU, CO
6.5	Conduct benchmarking and scan the external technology landscape	✓	✓	n/a	LA, GE, SU, CO
6.6	Facilitate external letter of support and commitment processes	✓	✓	n/a	LA, GE, SU, CO
6.7	Hold program level workshops to share research results and solicit stakeholder input	✓	✓	n/a	LA, GE, TR, EV SU, CO

Example Administrative Activities, 5/8

ID	Activities Category	Applicable to CEC	Applicable to IOUs	Reasons for Differences	Cost Category Mapping
7	Technology Implementation & Knowledge Transfer				
7.1	Coordinate with internal and external stakeholders to share project progress and results	✓	✓	n/a	LA, GE, SU, EV, TR
7.2	Coordinate to define detailed path to operational deployment and ensure post-EPIC funding is incorporated during General Rate case development	✗	✓	This is unique to the IOUs as they have a direct path to adopt EPIC-funded technologies for use on their systems. The CEC does not directly adopt technologies	LA, GE, SU, CO
7.3	Support project teams in developing comprehensive final reports	✓	✓	n/a	LA, GE, SU, CO
7.4	Develop, manage and curate online project database and networking platforms such as EnergizeInnovation.fund and EmpowerInnovation.net	✓	✗	These platforms were developed by CEC to share information about its R&D projects and support team networking around funding opportunities	LA, GE, SU
8	Intellectual Property Coordination				
8.1	Coordinate with project teams and other stakeholders to identify IP, protection strategy, file patents, develop licensing agreements.	✗	✓	The CEC does not engage in any direct intellectual property protection or patent filing	LA, GE, SU, CO
8.2	Assess royalty requirements at project close.	✓	✗	The CEC has specific/standard royalty requirements and their own process for assessing royalties at project close.	LA, GE, SU

Example Administrative Activities, 6/8

ID	Activities Category	Applicable to CEC	Applicable to IOUs	Reasons for Differences	Cost Category Mapping
9	Regulatory Support and Compliance				
9.1	Participate in CPUC proceedings (filings, ordered workshops, etc.)	✓	✓	n/a	LA, GE, TR, SU
9.2	Develop EPIC Annual Report	✓	✓	n/a	LA, GE, SU, CO
9.3	Conduct project and program benefits assessment	✓	✓	n/a	LA, GE, SU, CO
9.4	Support formal program audits, evaluations and data requests	✓	✓	n/a	LA, GE, SU, CO
9.5	Administer PICG contract on behalf of CPUC (PG&E only)	✗	✓	CPUC ordered that PG&E perform this function.	LA, GE, SU
9.6	Manage CEC and CPUC remittance payment processes	✓	✓	n/a	LA, GE, SU, CO
10	Internal Management Coordination				
10.1	Regularly brief internal leadership and workforce on progress and results	✓	✓	n/a	LA, GE, SU, CO
10.2	Compile internal monthly dashboard reports on project status and health and communicate with internal stakeholders	✓	✓	n/a	LA, GE, SU, CO

Example Administrative Activities, 7/8

ID	Activities Category	Applicable to CEC	Applicable to IOUs	Reasons for Differences	Cost Category Mapping
11	Program and Process Coordination and Improvement				
11.1	Develop and maintain guidance documentation (reference materials, procedures, process maps) to support program execution	✓	✓	n/a	LA, GE, SU, CO
11.2	Routinely identify process improvements and update guidance documentation	✓	✓	n/a	LA, GE, SU, CO
11.3	Policy + Innovation Coordination Group participation and support	✓	✓	n/a	LA, GE, SU
11.4	Internal coordination among EPIC administrators and CPUC	✓	✓	n/a	LA, GE, SU, TR
12	Administrative Activities				
12.1	Program-level budget tracking and management	✓	✓	n/a	LA, GE, SU, CO
12.2	Time accounting	✓	✗	IOU expenses associated with these activities are not charged to EPIC because they don't directly relate to EPIC administration.	LA, GE, SU
12.3	Human Resources coordination	✓	✗		LA, GE, SU

Example Administrative Activities, 8/8

ID	Activities Category	Applicable to CEC	Applicable to IOUs	Reasons for Differences	Cost Category Mapping
13	Supervision and Personnel				
13.1	Job recruitments	✓	✗	IOU expenses associated with these activities are not charged to EPIC because they don't directly relate to EPIC administration.	LA, GE, TR, SU
13.2	New hire training and onboarding	✓	✗		LA, GE, SU
13.3	Staff meetings	✓	✗		LA, GE, SU
13.4	Staff performance appraisals	✓	✗		LA, GE, SU
13.5	Personnel issues	✓	✗		LA, GE, SU
14	Training and Development				
14.1	Mandatory staff training	✓	✗	IOU expenses associated with these activities are not charged to EPIC because they don't directly relate to EPIC administration.	LA, GE, SU
14.2	Discretionary training/skills development	✓	✗		LA, GE, TR, SU

Additional Public Comment

- If participating via the Teams online platform, use the “raise hand” feature so the moderator can announce your name and unmute you.
- For phone-only participants, dial *5 to “raise your hand” and *6 to mute/unmute your phone line when called on.
- Written comments due on **January 19, 2022**. Visit the e-commenting page: <https://efiling.energy.ca.gov/Ecomment/Ecomment.aspx?docketnumber=20-EPIC-01> or see the workshop notice for paper/e-mail submittal options.*

*Note: Any comments filed on CEC’s docket are for CEC use in formulating the joint Tier 2 letter and have no bearing on the CPUC’s proceeding.