

Contractor Presentation

TAC and LIEP Subcommittee

Barriers

- Policies and Procedures
 - Need to update P&Ps prior to program roll out
 - Current installation policies do not allow for all feasible measures
 - Cost effectiveness
 - Health and Safety measures
 - Studies need to be reevaluated to ensure they meet the needs of today's program
- IOU Databases
 - Not configured to adapt to new program design
 - IOUs configured/still configuring databases to adapt to 2023 program in 2024
 - Lack of tools to support new program design (savings calculators)
- Fee Schedules and Payment Terms
 - Fees did not adjust along with inflation
 - Payment Terms
 - Caused major cashflow problems for contractors and implementers
 - Impeded contractors and implementers from timely ramp up

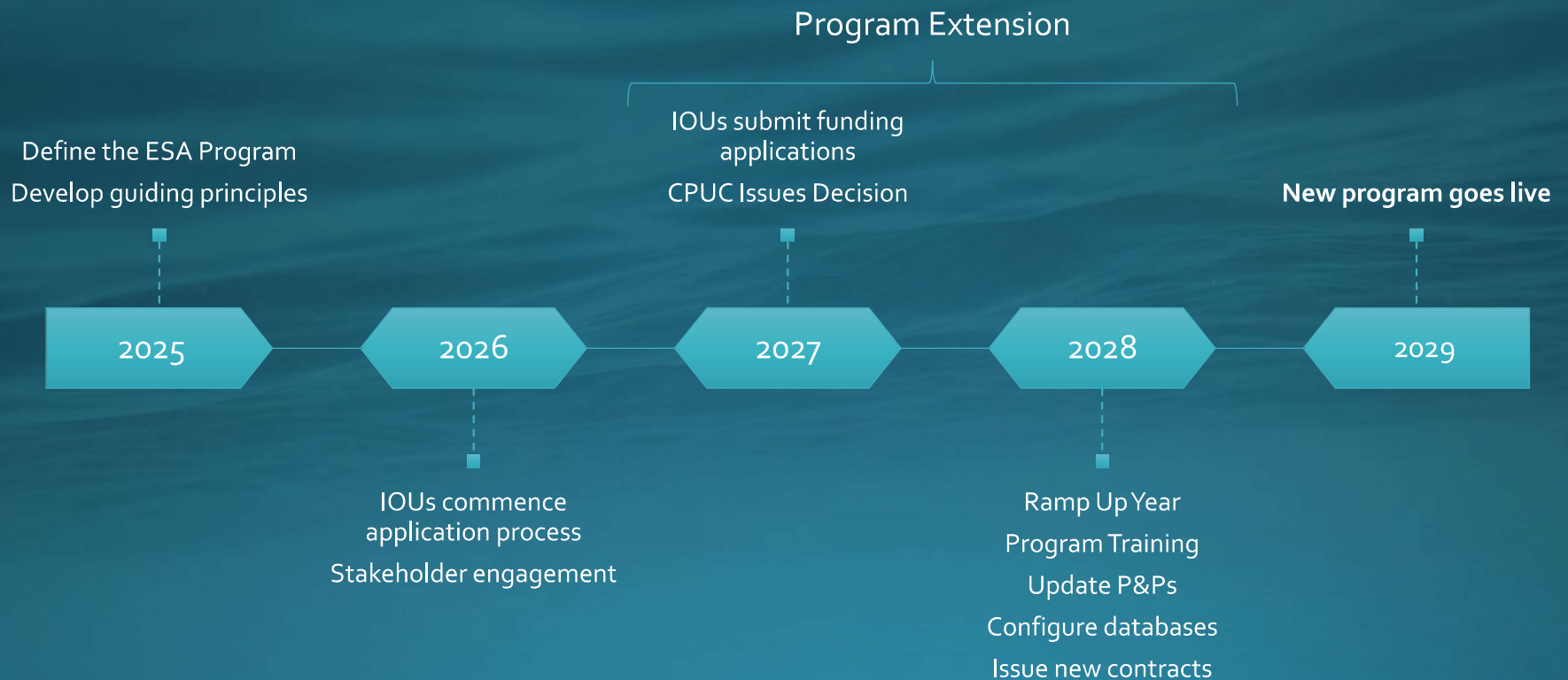
Lessons Learned

- Solicitation Process
 - Heavy resource demand for IOUs and contractors
 - Did not result in lower operating costs
 - Delays led to mass layoffs (one contractor closed its doors)
 - Separating Multi-Family from ESA Main
 - Increased administrative costs
 - Inconsistent measure installation fees
 - Inequity to single family renters vs multi family renters
- Program Design
 - Learning curve caused delays in implementation
 - New design decreased H&S measure installation
 - IOUs and Implementers were not allowed sufficient time to develop strategies, policies, and procedures to implement new program
 - Delays did not allow for timely start of the pilots
 - Will not allow for pilots to fully develop to gather quality data

Contractors Recommend

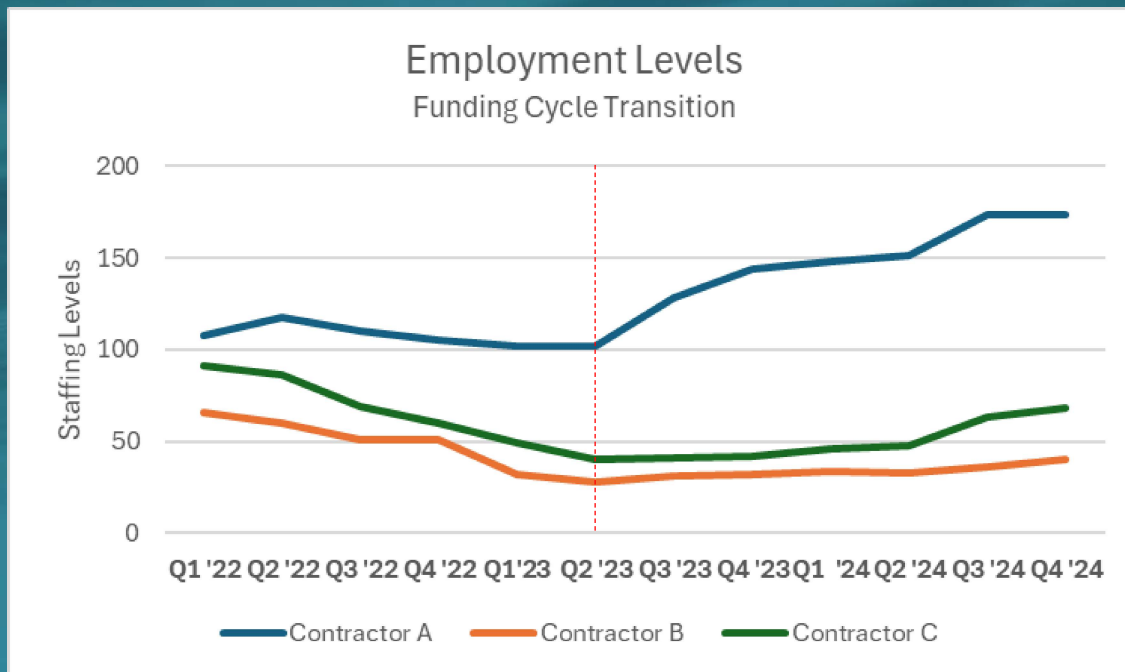
- Two-year extension to current funding cycle to allow for
 - Pilots to fully develop and collect valuable data
 - Contractors to continue to rebuild their workforce and prepare for next cycle
 - IOUs/ED to develop
 - Program mission and scope
 - Guidance document that aligns with mission and scope for upcoming cycle
 - Well planned IOU program funding applications
 - CPUC to issue a timely decision
 - IOUs to develop implementation plan
 - Develop policies and procedures
 - Update and test databases prior to program launch
 - Negotiate rates and issue new contracts prior to launch
 - Conduct training for all stakeholders
- Fund shifting flexibility within the funding cycle

Proposed Timeline



Planned Transition

Ensure a well-planned transition to avoid mass layoffs and an increase in costs to rebuild a well-trained and skilled workforce



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Thank you!