

**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
(August 12, 2019)

**REPLY COMMENTS OF THE CALIFORNIA EFFICIENCY + DEMAND
MANAGEMENT COUNCIL ON THE PROPOSED DECISION ADOPTING ENERGY
EFFICIENCY GOALS FOR 2020 - 2030**

Date: August 12, 2019

Nate Kinsey, Regulatory Affairs Manager
California Efficiency + Demand Management Council
2201 Broadway
Oakland, CA 94612
626-691-5445
policy@cedmc.org

**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
(Filed August 12, 2019)

**REPLY COMMENTS OF THE CALIFORNIA EFFICIENCY + DEMAND
MANAGEMENT COUNCIL ON THE PROPOSED DECISION ADOPTING ENERGY
EFFICIENCY GOALS FOR 2020 - 2030**

I. INTRODUCTION

The California Efficiency + Demand Management Council (the “Council”) appreciates this opportunity to submit Reply Comments on the Administrative Law Judge’s Decision Seeking Comment on the Proposed Decision adopting Energy Efficiency (“EE”) goals for 2020 – 2030.¹ The Council’s Reply Comments focus on:

- Southern California Gas’s (“SoCalGas”) request that the Commission consider the impacts of fluctuating energy savings goals on the Energy Efficiency Portfolios
- The numerous methodological and data errors highlighted by other parties, including National Resource Defense Council (“NRDC”), Southern California Edison (“SCE”), Public Advocates Office (“PAO”), and SoCalGas of the 2019 Potential & Goals analysis.
- SCE’s request recommendation that the secondary freezer and refrigerator recycling measures be reevaluated and/or removed before the adoption of the goals.

II. THE COUNCIL SUPPORTS SOCALGAS’S REQUEST THAT THE COMMISSION CONSIDER IMPACTS OF FLUCTUATING ENERGY SAVINGS GOALS ON THE EE PORTFOLIOS.

In their Opening Comments, SoCalGas comments on how fluctuating goals impact their ability to plan appropriately:

“The dramatic swing in energy efficiency goals reflects a hefty fluctuation in the portfolio of natural gas energy efficiency potential and does not result in the level of certainty needed to plan and implement energy efficiency portfolios in a reasonable manner with sufficient market certainty.”²

¹ These opening Comments are timely filed pursuant to the California Public Utilities Commission (“CPUC” or “Commission”) Rules of Practice and Procedure and the ALJ Ruling.

² Opening Comments of SoCalGas, at p. 2.

The Council agrees with this statement and supports SoCalGas's request that the Commission considers the impacts these fluctuations have on the EE portfolios. As noted in our Opening Comments modest annual changes in established goals is one of the pillars of achieving a steady-state energy efficiency environment that can lead to Rolling Portfolios working well, as identified in the Commission in D.14-10-046.³ We fear that if the Commission proceeds forward with the adoption of the proposed goals, and listens to multiple-parties requests to incorporate changes to the current potential and goals methodology that the adopted 2021 potential methodology could dramatically change.⁴ These changes could cause further instability in the marketplace for both the program administrators and the industry and should be a factor by the Commission as it considers this Decision.

III. THE COUNCIL HIGHLIGHTS THE MULTIPLE METHODOLOGICAL AND DATA ERRORS NOTED BY SEVERAL PARTIES.

Multiple parties in their opening comments noted further methodological and data errors that undermine the validity of the 2019 Potential and goals analysis.⁵ Some of these errors, like the weather-sensitive potential for specific measures identified by NRDC in their Opening Comments, can vary "sometimes by a factor of 5."⁶ This evidence supports the Council's Opening Comment request for a pause in the adoption of the 2020 goals, and for a 2019 fall stakeholder workshop process to address errors like these.

IV. THE COUNCIL REQUESTS THAT THE COMMISSION NOT SELECTIVELY APPROVE SCE'S REQUEST FOR REEVALUATION AND/OR REMOVAL OF ITS FREEZER AND REFRIGERATOR RECYCLING MEASURE.

In their Opening Comments, SCE requests that its freezer and refrigerator recycling measure program be reevaluated or removed because the completed analysis is not accurate, and on the belief that a future implementer could not create a cost-effective program. While it may be true that the analysis completed is inaccurate, the Council believes it would be inappropriate for the Commission to selectively remove this measure due to analysis error, and a belief that a

³ Opening Comments of the Council p. 2.

⁴ Opening Comments of NRDC, at p. 2, Opening Comments of SCE at p. 6, and Opening Comments of SoCalGas at pp. 4-5.

⁵ Opening Comments of NRDC, at p. 2, Opening Comments of PAO, at p. 1, and Opening Comments of SCE at p. 4.

⁶ Opening Comments of NRDC at, p. 2.

future implementer could not create a cost-effective program for this measure. The current potential and goals methodology is not built upon the existence or not of programs to implement measures. Also, it would be inappropriate for the Commission to selectively address a single methodological error when numerous other errors have been identified that would impact the potential and subsequent goals.

V. CONCLUSION

The Council appreciates the opportunity to provide Reply Comments on the Proposed 2020 to 2030 EE goals. We request that the Commission carefully consider the negative impacts that the adoption of the proposed EE goals will have on the ability of California to achieve its long-term energy and climate goals. If the proposed goals are adopted, it will:

- Lower the cumulative energy efficiency goals for the Investor Owned Utilities by approximately 40% over the next decade.
- Impair the ability of customer programs statewide.
- Exacerbate the instability of the energy efficiency industry in California.
- Inhibit the ability for energy efficiency resources to contribute to the Commission's Building Decarbonization efforts in Rulemaking (R.) 19-01-011.
- Threaten California's ability to maintain its title as a global leader in energy efficiency policies.

And while the Council appreciates the framing outline in the Decision that the proposed goals are the floor and not a ceiling, we believe performance-based incentives paired with tepid goals are not sufficient to achieve the state's goals. We, therefore, ask that Commission to take the immediate action of postponing the adoption of the 2020 to 2030 goals until the identified methodological and data errors can be corrected.

Dated: August 12, 2019

Respectfully submitted,

/s/ NATE KINSEY
Nate Kinsey, Regulatory Affairs Manager
California Efficiency + Demand Management Council
2201 Broadway, Suite 300
Oakland, CA 94612
626-691-5445
policy@cedmc.org