

**Comments of the California Efficiency + Demand Management Council (CEDMC) on the
Draft Fuel Substitution Technical Guidance for Energy Efficiency**

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I. Introduction

The California Efficiency + Demand Management Council (the Council) appreciates the opportunity to provide comments on the Technical Guidance developed by the Energy Division in response to *Decision 19-08-009 Modifying The Energy Efficiency Three-Prong Test Related To Fuel Substitution*. Overall, the Council believes the technical guidance proposed is well thought out and will enable third-party providers to deploy technologies that achieve California's energy and climate goals. However, we believe there are two topical areas that Energy Division should provide additional clarity on in the final report.

II. Timeline for Updating to the Cost-Effectiveness Tool (CET)/Avoided Cost Calculator (ACC)

The draft technical guidance proposes that further updates to both the CET and ACC will “support and increase [the] accuracy of [the] cost-effectiveness evaluation process for fuel substitution measures,”¹ but the report fails to lay out a timeline in which these changes can be anticipated. To enable the development of qualifying measures in an expedient and accurate fashion the Council requests the Energy Division proposes a timeline in which these updates will be made in the final report. We understand some of these updates extend beyond this proceeding but request that an estimated timeline be proposed.

III. Incorporate Fuel Substitution Measures into Program Administrator's Goals

The draft technical guidance Energy Division is proposing that the “program administrator implementing the program utilizing fuel substitution measures can use the full energy savings value in their portfolio forecasts and claims.”² The Council believes by allowing Program Administrators (PAs) to include claim savings that are not included in the 2019 Potential and Goals approved analysis they are undermining the Commission's goal-setting process. Instead of simply allowing PAs to claim these savings the Commission should only provide funding for measures that have passed the Fuel Substitution test and had their market potential analyzed by Navigant Consulting under their Energy Measurement & Valuation (EM&V) group D Contract.

¹ Fuel Substitution Technical Guidance for Energy Efficiency Version 1.0, 9/16/2019 pg. 8

² Fuel Substitution Technical Guidance for Energy Efficiency Version 1.0, 9/16/2019 pg. 9

IV. Conclusion

The Council appreciates the opportunity to submit these comments and looks forward to continuing our engagement as we work together to achieve California's climate and energy goals.