

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 November 14, 2013)

**REPLY COMMENTS OF
THE CALIFORNIA EFFICIENCY + DEMAND MANAGEMENT COUNCIL
ON ADMINISTRATIVE LAW JUDGE'S RULING INVITING COMMENTS ON DRAFT
POTENTIAL AND GOALS STUDY**

Dated: May 28, 2021

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I. INTRODUCTION

The California Efficiency + Demand Management Council¹ (“The Council”) respectfully submits these Reply Comments on the Administrative Law Judge’s (“ALJ’s”) Ruling Inviting Comments on Draft Potential and Goals Study (“ALJ Ruling”), mailed in R.13-11-005 (Energy Efficiency Rolling Portfolio) on April 23, 2021. These Reply Comments are timely filed and served pursuant to the Commission’s Rules of Practice and Procedure and the instructions accompanying the ALJ Ruling.

II. THE COUNCIL REITERATES THE IMPORTANCE OF EXPANDING ENERGY EFFICIENCY GOALS

The Council reiterates the importance of expanding the magnitude of the energy efficiency (“EE”) goals for the 2022-2032 period. While we certainly appreciate the importance of ensuring accuracy in the EE goal-setting process, we continue to have concerns about the rules that govern the EE resource. We understand that program administrators (“PAs”) including Pacific Gas & Electric (“PG&E”) and Southern California Edison (“SCE”) had no choice but to advocate for the use of Scenario 1 as the basis for EE goal setting given the state of the current policies.² However, in order for the State to realize its aggressive Senate Bill (“SB”) 350 doubling targets by 2030, the Commission must modify the very rules and policies currently in place that are inhibiting our ability to meet these targets. In particular, we are strongly in support

¹ The views expressed by the California Efficiency + Demand Management Council are not necessarily those of its individual members.

² PG&E Opening Comments, at p.1 and SCE Opening Comments, at p.2.

of the Commission adopting Scenario 3 as the basis for setting goals. Scenario 3, when coupled with the application of a PAC test for measure screening using a 0.85 threshold and applying the most current Avoided Cost Calculator (“ACC”) values, will no doubt lead to greater amounts of cost-effective EE potential relative to the current potential and goals (“P&G”) study values. Furthermore, we believe that it is essential for the Commission to move to a PAC testing framework for not only the setting of EE goals but also for the PA EE portfolios. This will give the PAs confidence that their planned EE program portfolios will deliver cost-effective EE resources to California during this critical period when the effects of climate change are very real and urgent.

III. THE COUNCIL REQUESTS A MODEL RE-RUN

The Council points out that nearly all parties in their Opening Comments aligned with the Council’s recommendation that the Commission direct Guidehouse to re-run the P&G potential model using updated ACC values. We think this is a critical step toward ensuring that the EE goal-setting process will be correctly aligned with the most current and accurate data. At the same time, we would like to see Guidehouse apply a PAC testing threshold plus the use of Scenario 3 inputs. When all of these elements are combined, we believe the result will lead to a robust cost-effective growing EE resource starting in 2022.

IV. THE COUNCIL REMAINS CONCERNED ABOUT SEGMENT-SPECIFIC POTENTIALS

The Council wishes to address PG&E’s concerns regarding “...the assessment of industrial and agricultural sector potential may be inflated due to the three factors...”³ While PG&E makes compelling arguments to support their concerns, the Council reiterates our opposite position that the potential for these sectors in particular is significantly undercounted. Our overarching concern with PG&E’s three arguments is that their focus still takes a measure-centric viewpoint for industrial and agricultural potential. From our perspective, much of the untapped cost-effective EE potential for the industrial/agricultural sectors lies with process-related improvements. The Guidehouse approach to data development and modelling still centers on a “widget-based” approach for these sectors and largely excludes opportunities for process-

³ PG&E Opening Comments, at p. 11.

related measures, which are highly site-specific and cannot be identified in a bottom-up widget approach. To remedy this problem, the Council recommends the adoption of Scenario 3 which would lead to setting of higher goals and would enable implementers to pursue more process-specific projects.

One of the challenges facing PAs and implementers when addressing EE opportunities for the industrial/agricultural sectors is that the current Commission rules prohibit implementers from using site-based Normalized Meter Energy Consumption (“NMEC”) methods for their proposed projects. We believe this prohibition is stifling vast amounts of cost-effective industrial/agricultural process-related EE potential. We respectfully request the Commission to launch efforts that will lead to the eventual allowance of industrial/agricultural process-specific EE projects to use site-based NMEC methods. To enhance this transition, the Council recommends that a site-based NMEC stakeholder working group be launched as soon as possible. This working group could be facilitated by an independent entity such as the California Energy Efficiency Coordinating Committee (“CAEECC”) or California Technical Forum (“CalTF”) to ensure that all stakeholder perspectives are taken into consideration.

V. CONCLUSION

The Council appreciates consideration of these Reply Comments and encourages the Commission to adopt the assertions provided herein.

Respectfully submitted,

May 28, 2021

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