

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)

**OPENING COMMENTS OF THE
CALIFORNIA EFFICIENCY + DEMAND MANAGEMENT COUNCIL
ON PROPOSED DECISION ADOPTING ENERGY EFFICIENCY GOALS FOR 2022-2032**

Dated: September 9, 2021

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I. INTRODUCTION

The California Efficiency + Demand Management Council¹ (“The Council”) respectfully submits these Opening Comments on the Proposed Decision Adopting Energy Efficiency Goals for 2022-2032 (“Proposed Decision” or “PD”), mailed in R.13-11-005 (Energy Efficiency Rolling Portfolio) on August 20, 2021. These Opening Comments are timely filed and served pursuant to Rule 14.3 of the Commission’s Rules of Practice and Procedure and the instructions accompanying the Proposed Decision.

II. SUMMARY

The Council appreciates the Commission’s careful consideration of our various recent proposals regarding the Potential & Goals (“P&G”) Study and the resulting goal setting process. We were encouraged by the implications of this PD which raise the magnitude of the goals for both time periods (2022-23 and 2024-27) affected by this PD. This in turn means that Portfolio Administrators (“PAs”) will need to dig deeper to find more opportunities for energy efficiency (“EE”) within their various portfolios. To that end, the Council encourages the Commission to take a bolder step in terms of setting EE policy by requiring the PAs to develop their various budget advice and portfolio filings using a 0.85 Total Resource Cost (“TRC”) test threshold, rather than the current 1.0 threshold. This one change will lead to greater levels of EE activities during these critical times when every action taken by policy makers can be impactful in our battle against climate change.

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

III. THE COUNCIL SUPPORTS THE COMMISSION'S DECLARATION OF A 0.85 TRC THRESHOLD

The Council appreciates the Commission's proposed pathway for EE goal setting as outlined in the PD:

Scenario 2, which uses a TRC screen of 0.85 and assumes business-as-usual adoption, best reflects the Commission's intent for program administrators to aggressively pursue all energy savings opportunities.²

The Council is hopeful that the PAs will seize the opportunity to aggressively pursue all feasible and reasonable EE projects. Unfortunately, since the investor-owned utility ("IOU") PAs are bound by a cost-effectiveness threshold for their budget and portfolio filings, they are only required to set budgets and develop portfolios that meet a 1.0 TRC threshold. This means that many viable EE opportunities that were deemed feasible from a goal setting standpoint would be left off the table because of this misalignment. To remedy this concern, The Council proposes that the Commission align the 0.85 TRC threshold to apply to the upcoming 2022-23 budget, at the very least in order to align with the goals of the Administrative Law Judge Ruling Requesting Comments/Proposals to Address Governor's Proclamation of July 30, 2021 issued on August 6th, and beyond that to the 2024-27 portfolio filings. Furthermore, The Council requests that the Commission order the IOUs to immediately modify all existing third-party contracts to align with a new across-the-board 0.85 TRC threshold.

The Council also has concerns about various regulatory rules and processes governing specific EE program areas, namely Custom and site-based normalized metered energy consumption ("NMEC"). Many of the current Commission rules related to ex ante reviews for both Custom and NMEC projects has led to significant discouragement to customers; their reticence to participate in Custom and NMEC projects in the first place is causing many potentially viable projects to not get implemented. The Council reaffirms our requests made on these two topic areas in prior comments for the P&G study as well as our recent comments submitted in connection with the Governor's July 30th emergency proclamation.³ In order for PAs and implementers to realize the EE goals set forth in the P&G study, it will be vital that certain rules and policies be reformed. Specifically, the Council requests that the Commission

² Proposed Decision, at p. 4.

³ Opening Comments of the California Efficiency + Demand Management Council on Administrative Law Judge's Ruling, submitted on August 31, 2021.

implement the reforms that were proposed in our August 31st opening comments in connection with the Governor's Emergency Proclamation.⁴

IV. CONCLUSION

The Council thanks the Commission for considering our Comments.

Respectfully submitted,

September 9, 2021

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⁴ *Ibid.*, at p. 4.