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 PROPOSED DECISION REGARDING ENERGY EFFICIENCY ACTIONS TO
ENHANCE SUMMER 2022 AND 2023 ELECTRIC RELIABILITY**

Dated: November 23, 2021

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I. INTRODUCTION

The California Efficiency + Demand Management Council[1] ("The Council") respectfully submits these Reply Comments on the Proposed Decision Regarding Energy Efficiency Actions to Enhance Summer 2022 and 2023 Electric Reliability ("Proposed Decision" or "PD"), mailed in R.13-11-005 (Energy Efficiency Rolling Portfolio) on October 29, 2021. These Reply 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. THE COUNCIL CONCURS WITH PACIFIC GAS AND ELECTRIC'S ("PG&E'S") COMMENTS REGARDING MARKET ACCESS PROGRAM COORDINATION

The Council wishes to note our agreement with the position expressed in PG&E's opening comments regarding the need for coordination between Market Access programs and other programs both within energy efficiency ("EE") portfolios as well as across other initiatives and proceedings. PG&E notes that "Market Access programs can be more effective if there is a coherent approach to setting program characteristics that includes incentive levels, program eligibility, and participation requirements across utility service territories."[2] PG&E further notes that, "…consistency and coordination can ensure that participation is as straightforward as possible for both implementers and customers operating across service territories and minimize

[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. 3.

unintended consequences from regional or program disparities."[3] This sentiment echoes The Council's opening comments, which similarly underscored the importance of consistent implementation across program administrators ("PAs"), stating "…driving market change requires consistent rules for consistent success."[4] As PG&E rightly asserts, consistent implementation across PAs, program portfolios, and key requirements (such as program eligibility) will ensure the success of this valuable new initiative in creating a more resilient grid.

III. COMPENSATING MARKET SUPPORT PROGRAMS ONLY FOR EVALUATED SAVINGS CONTRAVENES THE PERFORMANCE BASED PROGRAM DESIGN

The Council strongly urges the Commission to effectively utilize the normalized metered energy consumption ("NMEC") performance approach to compensate programs as written in the PD. The Public Advocates Office ("PAO") asserts that "…the PD should be modified to clarify that program compensation will be based on evaluated net savings rather than estimated and/or gross savings."[5] The Council believes that compensation should only be made on measured savings; this is the intent of utilizing the NMEC framework to measure savings. Only allowing compensation for evaluated net savings is in contravention of the NMEC measurement method, as there should not be a difference between "projected" and achieved savings when measured using an NMEC methodology.

PAO further recommends that "The PD should include a mechanism to refund program funding that supported activities that did not result in incremental savings."[6] While The Council strongly urges Market Support funding to be used in full to deploy peak-focused EE programs, we have significant reservations about allowing the refunding of funds that do not result in incremental savings. This approach amounts to a penalty mechanism that will have a market chilling effect, preventing innovative market solutions from driving valuable near-term peak demand reductions. It is necessary to allow the market to develop innovative, creative solutions to driving peak demand and using NMEC to measure them appropriately.

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[3] PG&E Opening Comments, at p. 3.
[4] The Council Opening Comments, at p. 2.
[5] PAO Opening Comments, at p. 2.
[6] *Id*.

IV. IF SDG&E'S RECOMMENDATION FOR A DIFFERENT ADMINISTRATOR FOR THE STATEWIDE THIRD-PARTY SOLICITATION IS ACCEPTED, IT SHOULD BE PG&E

SDG&E recommends that they "…should not be the administrator for the statewide, Third-Party solicitation."[7] While The Council has no doubt that SDG&E would succeed in its role as the administrator of this solicitation, The Council appreciates that another investor-owned utility ("IOU"), namely PG&E, may be better positioned to take on this responsibility. The Council recommends PG&E since they oversee the state's largest and most diverse service territory which translates well for this statewide program. Furthermore, PG&E appears to be more able to take on this responsibility given that their service territory encompasses the greatest breadth of customer types, which again translates well for this statewide program.

V. CONCLUSION

The Council appreciates the opportunity to offer these reply comments, and we look forward to EE playing a strong role in grid resiliency.

Respectfully submitted,

November 23, 2021

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[7] SDG&E Opening Comments, at p. 5.