



849 E. Stanley Blvd., #264
Livermore, CA 94550
Tel: 925.785.2878
Email: jdesmond@cedmc.org

California Efficiency + Demand Management Council (Council) Informal Comments on August 11, 2022 CPUC Questions for 2023 Potential and Goals Study

The Council appreciates this opportunity to provide responses to the California Public Utility Commission (Commission) questions on the 2023 Energy Efficiency Potential & Goals study.

Are there questions/concerns with the project timeline?

- **Any specific stakeholder engagement topics we should consider that aren't planned?**

No comments.

- **Are the Low Income and Fuel Substitution focus areas appropriately positioned?**

No comments.

- **Are there other areas of focus that should be added?**

No comments.

Market and Measure Characterization Data Questions 25

- **What year of data should we use for historic program savings and spending?**

The Council has no feedback regarding the specific base year because it depends on the program; it may make sense to use data from one of the less than 20 programs that make up approximately 90 percent of the kW savings to determine which base year to use for historic program savings. Also, the analysis should explicitly account for the COVID period.

The Council would like to point out that program results (e.g., kW saved) per 100,000 customers see widely different results across Program Administrators (PAs). In applying the filter of historic program savings and spending, the Commission should take the best of the programs and apply the results for that program as a filter, rather than letting goals be weighted down by PAs that struggle to implement programs. To do otherwise would be to continue to reward poor results with "potential" that is well under actual economic potential.

Additionally, the Total Resource Cost (TRC) thresholds that have been in place have badly hampered the size of many efficiency programs. To use the size of past programs, constrained by TRC, as a filter and then to still apply a TRC (or even Total System Benefit (TSB)) threshold would double-count the constraining effects of TRC.

Taken together, the base year should be built off of the individual best years for programs accounting for 90% of the savings. In addition, programs that fall short of results at other PAs should be grossed up to simulate results that can be achieved, as this is a measure of potential. Finally, TRC/TSB should not be double-counted and TRC-constrained program sizes should also be grossed up.

Please see analysis here:

<https://docs.google.com/spreadsheets/d/1xdO2OeMB8O8nERnNX7-XnNHEqrhdJmLC/edit?usp=sharing&ouid=107808320392640501878&rtpof=true&sd=true>

- **Do you have program and measure data to share that's not available via DEER/Workpapers or CEDARS? (Including pending workpapers not yet submitted or approved.)**

The Commission has all project data so there is not much more to share. Certain Council members will be developing some white papers this year to share the associated insights more broadly. We will notify the Commission when they become available.

Also, CEDARS currently does not contain (or accept) performance-based results. These data are key to optimizing the TSB for the portfolio. The Commission's decision to adopt the TSB metric needs to leverage the value of (metered) program performance for forecasting of potential energy savings. Results from performance-based programs for Resource Acquisition, like the Market Access programs, will support actuarial forecasting components of the potential and goals study. Results from the Market Access program are available on a quarterly basis and will be trued up on an annual basis.

We encourage the Commission to ensure that PAs can claim actual load shape impacts, and require it unless they can prove it is not feasible or cost-effective. Actual load shape results should be the foundation of potential and goals analysis of the future, especially as Portfolio-Level NMEC programs continue to grow.

- **Are there any fuel substitution programs that can inform data inputs?**

No comments.

- **Are there any specific industrial and agricultural segments or technologies of interest to study (e.g. technologies with cross-cutting potential)?**

The Council suggests that the study consider potential EPIC project results to incorporate into the performance of specific Industrial & Agricultural technologies.

- **Upon delivery of proposed measure list, please consider:**
 - **Which measures are highest priority?**

No comment.

- **Are there additional measures or technologies that should be included in the study?**

The list of proposed measures for the study will be released on August 12 and comments on them are due on August 26.

Should Guidehouse incorporate Economic Potential scenarios into the Low Income Potential & Goals (P&G) modeling methodology using the guidelines from the ESA Decision for Program Years 2021-26 (D.21-06-015)?

- **What are the benefits and drawbacks of incorporating Economic Potential for the first time in a Low Income P&G study?**

It is unclear whether this additional level would be a net benefit. The drawbacks could include a reduced number of measures for consideration. It may be helpful to order/prioritize measures. It is also unclear whether there is sufficient time and data to do this.

- **Does additional demographic and housing stock granularity provide significant benefit?**

No comments.

- **What are stakeholders' other priorities/concerns regarding the new considerations for low-income analysis?**

The Commission should consider measures from the DEEP pilot.

- **Does the proposed approach meet stakeholder needs?**

No comments.

- **Is there non-measure cost or other data available that could be applied?**

Since the last P&G study included more than first-year savings in assessing cost-effectiveness and because there are some NEBS numbers around, the Council recommends the Commission consider these benefits and not necessarily limit them to Low Income.

- **How should the study treat non-IOU program impacts on EE FS?**

No comments.

- **What are stakeholders' other priorities/concerns regarding the new considerations for fuel substitution analysis?**

The Council recommends the Commission consider taking a closer look to developing more realistic fuel switching uptick numbers.

What time period of historic program data is reasonable for use in calibrating the rebate program model?

- **Does changing the TRC threshold from 0.85 to 1.25 serve the objectives of the study now that TSB is the primary metric?**

The Council is unsure whether changing to a TSB focus is consequential to a change in the TRC threshold. The Council is also unclear on whether “objectives” really applies to the P&G study or the SB350 policy goals. The Commission should provide clarity on both points.

- **Are there any new BROs programs we should consider? If so, what vetted data is available to inform the modeling?**

No comments.

- **Did stakeholders find the 2021 PG study online results viewer valuable? Or would you prefer a spreadsheet-based viewer?**

The Council appreciates both formats and recommends that Guidehouse produce both again.

Other Comments/Questions

The Council appreciates the emphasis on increasing stakeholder engagement noted in the webinar presentation but would like to understand how the Low Income potential can be completed by December 31, 2022 given that the approach and data needs webinar will only be held in Q4 2022?

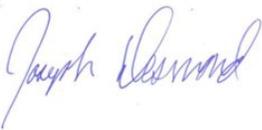
More specifically, how will the study have time to assemble data and develop market size estimates (market sale projections, construction projections, and trends) and compliance factors in just 6 weeks (11/1/22-1/15/23)?

How much input can stakeholders provide so close to when the analysis will be completed?

How can there be enough time to assemble whatever data the stakeholders might suggest might be needed and to refine the approach as needed?

If you have any questions, feel free to reach out to me by email at jdesmond@cedmc.org or by phone at 925.785.2878.

Sincerely,



Joe Desmond
Executive Director
California Efficiency + Demand Management Council