

## DOCKETED

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*Comment Received From: Rebecca Meiers-DePastino*

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**Southern California Edison Company's Comments on the California Energy**

*Additional submitted attachment is included below.*

February 6, 2015

California Energy Commission  
Docket Office, MS-4  
Re: Docket No. 15-IEPR-01  
1516 Ninth Street  
Sacramento, CA 95814-5512  
docket@energy.ca.gov

Re: *Southern California Edison Company's Comments on the California Energy Commission Docket No. 15-IEPR-01: Draft 2015 Integrated Energy Policy Report Scoping Order*

Dear Commissioner McAllister:

On January 26, 2015, the California Energy Commission ("Energy Commission") released a Notice of Request for Public Comments on the Draft 2015 Integrated Energy Policy Report ("IEPR") Scoping Order ("Draft Scoping Order"). Southern California Edison ("SCE") looks forward to actively participating in the 2015 IEPR cycle, and appreciates the opportunity to provide these written comments.

The Draft Scoping Order identifies six broad policy topics to be addressed in the 2015 IEPR: (1) Energy Efficiency, (2) Renewables, (3) Electricity, (4) Natural Gas, (5) Transportation, and (6) Climate Change. SCE supports the subject matter areas identified in the Draft Scoping Order, and the Energy Commission's important effort to help shape key energy and environmental policy that will guide California to a cleaner energy future.

SCE's comments on the Draft Scoping Order provide some high level comments on these identified subject matter areas and recommend the inclusion of two additional subject matter areas. First, the IEPR's scope should include the "Clean Energy Standard" ("CES") as a means of achieving the State's 2030 climate vision to reduce greenhouse gas ("GHG") emissions while maintaining or enhancing safe, reliable, and affordable energy services to customers. Second, the Energy Commission should expand the IEPR's scope on transportation to accelerate the electrification of transportation and other zero and near-zero emission transportation, which is essential to the realization of the Governor's GHG and petroleum reduction goals.

### **Energy Efficiency**

The Draft Scoping Order includes energy efficiency ("EE"), which consists of several sub topics related to EE. SCE supports the inclusion of energy efficiency in the IEPR's scope. Below, SCE provides some preliminary broad comments on the sub topics.

With respect to the “[p]rogress of efforts to increase the efficiency of California’s existing buildings (as required by Assembly Bill (“AB”) 758 [Skinner, Chapter 470, Statutes of 2009]),” SCE supports further discussion on the EE Program for Existing Buildings under AB 758. SCE has been coordinating closely with the Energy Commission and utilities on EE standards over the past several years, and looks forward to continuing its collaboration with stakeholders as the development and implementation of EE in existing buildings progresses. With regard to the specific items outlined in the Draft Scoping Order, SCE offers the following comments on EE.

As for the expansion of existing benchmarking and disclosure requirements to increase awareness about energy consumption and energy efficiency opportunities, while SCE does not object to the inclusion of this sub topic in the IEPR’s scope, SCE cautions that legal issues with respect to the confidentiality of data may make this topic more complex than the Energy Commission may have anticipated. If maintained in the scope, SCE recommends that the Energy Commission coordinate closely with the California Public Utility Commission (“CPUC”) and the investor-owned utilities (“IOUs”) on those legal issues.

In addressing whether Title 24 Building Energy Standards are responsive to efforts to upgrade the efficiency of existing buildings, SCE recommends that the Energy Commission assess the scope of Title 24 and consider opportunities to align Title 24 more closely with other EE programs. In its current state, Title 24 provides somewhat limited opportunities to upgrade existing buildings because the current scope of the Title 24 Building Energy Standards applies only to new buildings, alterations, additions and renovations. Though the scope of Title 24 has gradually expanded over the years to include existing buildings, a significant portion of existing building energy-saving potential remains untapped—including potential opportunities to bring existing buildings that are considered to be “below code” “up to code.” Many of these issues are currently being assessed in the CPUC’s Energy Efficiency Order Instituting Rulemaking (“OIR”), (R.) 13-11-005. SCE therefore recommends that the Energy Commission coordinate closely with the CPUC and IOUs on EE programs to achieve consistency and continuity and to ensure that energy savings programs persist and improve.

With respect to assessing upgrade strategies and consideration of strategies to expand zero net energy retrofits and reduce plug loads and miscellaneous loads, SCE and other IOUs currently offer many Demand-Side Management (“DSM”) programs to retrofit buildings, including the “Savings by Design” program,<sup>1</sup> which promotes the use of integrated design analysis to optimize energy efficiency within buildings. These programs target both plug loads and miscellaneous loads, and are consistent with efforts to achieve zero net energy (“ZNE”) goals. Although the IOUs have had significant success in these efforts, some key challenges remain. For example, the current DSM programs offered by utilities typically do not include offers for both EE and Distributed Generation (“DG”) together, even though DG is a key component for achieving ZNE. The CPUC is currently looking into this issue, and similar issues in its Integrated Demand-Side Management OIR (R. 14-10-003), in which SCE is participating.

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<sup>1</sup> See: <http://www.savingsbydesign.com/>

Another key limiting factor for ZNE retrofits continues to be the high costs of completing a full building retrofit. In many cases ZNE is still not a cost-effective endeavor.

In addition to investigating these challenges, SCE recommends that the Energy Commission clarify whether plug loads and miscellaneous loads will be included as part of ZNE retrofits going forward. Based on the ZNE definition adopted in the 2013 IEPR, ZNE currently exclusively applies to loads covered in code compliance, but not unregulated loads.

### **Renewables**

The Draft Scoping Order includes the “identification of issues and potential solutions for reaching Governor Brown’s goal of renewables for 50 percent of California’s electricity use by 2030.” SCE believes that the best path for achieving the 2030 and longer term environmental goals—while maintaining or enhancing safe, reliable and affordable service to its customers—is through an integrated, cost-effective approach that targets GHG reductions, rather than through incremental technology mandates, such as through the Renewable Portfolio Standard or EE programs.

More specifically, a CES would set a 2030 GHG target for both the State and individual Load-Serving Entities (LSEs). To meet those binding 2030 GHG targets, each LSE, through a transparent planning process, would pursue an integrated approach to GHG reduction measures, including but not limited to, renewables, energy efficiency, and transportation electrification. While a CES would be in lieu of new or incremental technology mandates, it would not replace or eliminate the LSEs’ need to comply with existing mandates.

The Energy Commission, through the IEPR, should support a CES to address, and cost-effectively reduce, GHG emissions because a CES could align the LSEs’ procurement, programs and investments with State climate policy and climate goals in a manner that supports safe, reliable, affordable electric service.

A key component of a CES would be coordination with agencies and stakeholders, including the transportation industry, because accelerating the electrification of transportation is essential to reducing emissions from that sector and realizing the state’s important environmental goals.

### **Electricity**

The Draft Scoping Order identifies several electricity sub topics. With respect to the forecast of statewide and regional demand, the Energy Commission should:

- Update the transportation electrification load forecast (including both conventional and electric vehicle loads) to reflect the latest market, technology, and policy developments;

- Refine its long-term peak demand forecast methodology by including the incremental impacts from EV charging load, as well as the consideration of potential shifts in peak-demand hours in the future;
- Coordinate closely with stakeholders to identify best practices in solar Distributed Generation (DG) forecasting;
- Account for uncertainties caused by the inability to trace IOU upstream, midstream, and new construction program savings to a specific location or service account when disaggregating EE in the demand forecast and adopt a conservative approach in applying EE results down to the busbar level;
- Continue to improve its vetting process with stakeholders, especially in terms of developing any new methodologies in forecasting (*i.e.*, time of use rates, or inclusion of preferred resources) for achieve greater transparency and coordination with all impacted and interested stakeholders.

With respect to the role for preferred resources in California's resource mix, SCE supports the inclusion of roles for preferred resources in the scope of the IEPR and looks forward to coordinating with the Energy Commission and stakeholders to inform policy development based on its experiences and lessons learned—particularly in its Preferred Resources Pilot, Irvine Smart Grid Demonstration, and similar programs.

SCE also supports the examination of the need for new electricity infrastructure, preferred resources, and electricity planning to address the reliability issues caused by the retirement of once-through cooling power plants and the San Onofre Nuclear Generation Station in the scope.

Likewise, SCE looks forward to coordinating with the Energy Commission on the Strategic Transmission Investment Plan ("STIP"), and recommends that the Energy Commission clarify its vision for the STIP—particularly in terms of the inclusion of discussion of deliverability and western regional planning activities – in the final scoping order.

Finally, SCE supports the Energy Commission's efforts to analyze landscape scale transmission planning, including assessments of the electrical infrastructure needed to support the Desert Renewable Energy Conservation Plan and other landscape scale planning efforts. In support of California's ambitious long-term renewable energy and climate change goals for 2030 and beyond, SCE recommends that the Energy Commission, in coordination with state and federal agencies, work with stakeholders to consider longer-term energy needs when assessing large transmission infrastructure projects. Agencies may need to assess infrastructure needs beyond today's requirements for capacity, and instead look to potential capacity needs that would meet California's long-term energy goals.

**Transportation**

SCE supports the Energy Commission's continued consideration of transportation issues in the 2015 IEPR cycle. The acceleration of the electrification of transportation is essential to meeting the state's ambitious policy goals. Accordingly, the Energy Commission should expand the scope for this topic. As discussed in SCE's comments on the 2014 IEPR Update, the Energy Commission should:

- Support expansion of the role of electric utilities in accelerating the market through development of Plug-In Electric Vehicle (PEV) Charging Infrastructure;
- Collaborate with other agencies and industry stakeholders to update the State Alternative Fuels Plan with a special focus on understanding scenarios for deeply reducing GHG emissions; and
- Reassess or advocate for the Legislature's reassessment of the state and local existing clean transportation funding sources and objectives to find opportunities to align them more closely with the state's long-term climate goals.

**Climate Change:**

SCE supports the inclusion of climate change in the IEPR's scope, particularly the development of scenarios for deeply reducing GHG emissions. SCE believes that the CES may be the best and most comprehensive way to address the reduction of GHG emissions.

In conclusion, SCE appreciates the Energy Commission's consideration of these comments and looks forward to its continuing collaboration with the Energy Commission. Please do not hesitate to contact me at (916) 441-2369 with any questions or concerns you may have. I am available to discuss these matters further at your convenience.

Very truly yours,

*/s/ Manuel Alvarez*

Manuel Alvarez

cc: Robert Weisenmiller  
Karen Douglas  
David Hochschild  
Janea Scott