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<th><strong>Docket Number:</strong></th>
<th>17-IEPR-06</th>
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<tr>
<td><strong>Project Title:</strong></td>
<td>Doubling Energy Efficiency Savings</td>
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<tr>
<td><strong>Document Title:</strong></td>
<td>Presentation - Staff Workshop on Methodologies for SB 350 Energy Efficiency Target Setting</td>
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<td><strong>Description:</strong></td>
<td>6.19:17: Presentation by Paula Gruendling</td>
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<td><strong>Filer:</strong></td>
<td>Jann Mitchell</td>
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<td>California Public Utilities Commission</td>
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Staff Workshop on Methodologies for SB 350
Energy Efficiency Target Setting

Paula Gruendling
Senior Regulatory Analyst
California Public Utilities Commission

19 June, 2017
Presentation Overview

• Background
• Main considerations in 2018 + update
• Draft scenarios
• Summary of results
• Comparison with 2015 study
• Main takeways
Background

- P.U. Code §454.55 and §454.56 – identify all cost-effective energy efficiency and establish targets for electric and gas corporations.

- The Rolling Portfolio Cycle Schedule requires bi-annual updates of utility goals.

- 2018 and beyond:
  - Development of methods with input from Demand Analysis Working Group (DAWG)
  - June 15: draft study released
  - July 14: deadline for formal comments and reply comments
  - August: proposed decision
  - September: Commission adoption

- Process:
  - Commission will consider the study and the record and will adopt one set of goals
2018 + P&G Study Considerations

• **SB 350/AB802:**
  • Broader application of existing conditions baseline
  • Increased consideration of behavior, retrocommission, operational savings
  • Normalized meter energy consumption and pay for performance
  • Goals not informed by previous studies
  • Doubling energy efficiency

• **Integrated Distributed Energy Resources Proceeding (IDER – R. 14-10-003)**
  • Proceeding considering the uses of the standard Practice Manual Tests
  • Staff proposal with recommendations for Societal Cost test and use of Greenhouse Gas Adder
## 2018 + P&G Draft Scenarios

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<tr>
<th>Scenario</th>
<th>Cost Effectiveness Screen</th>
<th>Program Engagement</th>
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<tr>
<td>TRC</td>
<td>Reference</td>
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<td>mTRC (GHG Adder #1)</td>
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<tr>
<td>PAC</td>
<td>Aggressive</td>
<td>PAC test using 2016 Avoided Costs</td>
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Source: Navigant 2018 + Potential and Goals draft study
GWh Potential Results

TRC I Reference

PAC I Aggressive

Gas Potential Results

TRC I Reference

- Technical Potential
- Economic Potential
- Cumulative Market Potential

PAC I Aggressive

- Technical Potential
- Economic Potential
- Cumulative Market Potential

Source: Navigant 2018 + Potential and Goals draft study
Incremental Statewide Market Potential

Source: Navigant 2018 + Potential and Goals draft study
Incremental Market Potential

PAC I Aggressive

Source: Navigant 2018 + Potential and Goals draft study
Incremental Stranded Potential

Source: Navigant 2018 + Potential and Goals draft study
Comparison to 2015 Study

• **Technical Potential:**
  - Residential: additional 31 technologies characterized
  - Commercial: additional 51 technologies characterized
  - Additional 23 technologies for existing conditions baseline

• **Market cumulative**
  - Electricity: lower for all scenarios but PAC short term; long term only TRC is lower
  - Gas: lower only for TRC for short and long term
Takeaways

The 2018 and Beyond draft study shows:

- Lower market potential than previous studies if using the traditional TRC cost-effectiveness test without considering costs to meet 2030 GHG goals
- The scenarios were developed based on potential policy changes to explore alternatives to past studies, in compliance with SB 350
- Potential from adoption of existing conditions baseline, based on available information, is negligible
- C&S savings are significantly higher than in the 2015 study
- Economic Potential varies 65% depending on the cost-effectiveness test used to screen measures in 2018 and 45% in 2030.
Takeaways

For SB 350 goals:

• Consider there may be limits to utilities contribution given cost-effectiveness, feasibility and reliability conditions

• However, this is the first effort to account for many policy changes:
  • Ongoing updates will account for additional data and further improved methods
Thank You

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Additional Information
CPUC Energy Efficiency: http://www.cpuc.ca.gov/egyefficiency/
Energy Efficiency docket:
R.13-11-005