

DOCKETED

Docket Number:	17-IEPR-06
Project Title:	Doubling Energy Efficiency Savings
TN #:	219993
Document Title:	PG&E Comments on the 6-19-17 Integrated Energy Policy Report Workshop on 2030 Energy Efficiency Doubling Targets
Description:	N/A
Filer:	System
Organization:	Pacific Gas and Electric
Submitter Role:	Public
Submission Date:	6/30/2017 2:20:43 PM
Docketed Date:	6/30/2017

Comment Received From: Pacific Gas and Electric

Submitted On: 6/30/2017

Docket Number: 17-IEPR-06

PG&E Comments on Comments on the June 19, 2017 Integrated Energy Policy Report Workshop on 2030 Energy Efficiency Doubling Targets

Additional submitted attachment is included below.

June 30, 2017

**POSTED ELECTRONICALLY TO
DOCKET 17-IEPR-06**California Energy Commission
Dockets Office, MS-4
Docket No. 17-IEPR-06
1516 Ninth Street
Sacramento, CA 95814-5512Re: Docket 17-IEPR-06: Pacific Gas and Electric Company Comments on the June 19, 2017
Integrated Energy Policy Report Workshop on 2030 Energy Efficiency Doubling Targets

Pacific Gas and Electric Company (PG&E) appreciates the opportunity to provide comments on the June 19, 2017 Integrated Energy Policy Report (IEPR) Staff Workshop on 2030 Energy Efficiency (EE) Doubling Targets hosted by the California Energy Commission (CEC). PG&E provides comments including the following key points in response to the staff presentations:

- Errors should be corrected, or, at a minimum, a second literal doubling scenario should be included in the final targets report to allow for comparisons of “cost-effective doubling” to a corrected estimate of “literal doubling.”
- Adopt the 3% growth rate to account for decay and saturations occurring post-2026.

PG&E looks forward to continuing to work with staff on this important effort until the adoption of 2030 energy efficiency targets in the fall of 2017.

I. Errors in Underlying Data Should be Corrected

As PG&E noted in prior comments, CEC staff have acknowledged that some errors were uncovered in the 2013 additionally achievable energy efficiency (AAEE) and that corrections for these would reduce expected savings by 10%.¹ Staff indicated at the June 19 Workshop that the CEC no longer intends to update the 2014 IEPR to correct these errors.² PG&E has also identified that the 2014 IEPR assumes very low levels of decay, if any at all.³ If corrections are not made for the identified

¹ *Framework for Establishing the Senate Bill 350 Energy Efficiency Savings Doubling Targets*, pg. 13

² http://docketpublic.energy.ca.gov/PublicDocuments/17-IEPR-06/TN216053_20170215T150808_Pacific_Gas__Electric_Comments_Pacific_Gas__Electric_Comments_o.pdf

³ http://docketpublic.energy.ca.gov/PublicDocuments/17-IEPR-06/TN217716_20170524T164145_Pacific_Gas__Electric_Comments_Pacific_Gas_and_Electric_Comment.pdf

errors, as Staff indicated, it will create a situation in which comparisons will likely be made to a flawed “literal doubling” target.⁴

For instance, in the case of decay, savings from shorter-lived measures would be included in the savings total in 2030 for the literal doubling baseline, but would not be included in accounting for achievement towards that baseline (as this savings would no longer be available in 2030). As a result, comparisons of the cost-effective targets and literal doubling targets could result in an artificially large gap.

PG&E recommends that either errors be corrected or that a second, “corrected literal doubling” scenario be adopted that corrects for the errors CEC staff have identified and the errors that PG&E has identified. The final report should also include a discussion of the errors and note that the uncorrected literal doubling is not comparable to the cost-effective doubling.

II. Adopt the 3% growth rate to account for decay and saturations occurring post-2026

In January, CEC Staff proposed 3% average annual growth rate to extend savings targets from 2026 through 2030. However, at the June 19 Workshop, Staff indicated that the CEC plans to use a growth rate trend that is informed by the trajectory of prior year savings. This approach results in a straight line increase post-2026 rather than the more modest increase originally proposed. The straight line approach is highly likely to overstate savings, as it doesn’t account for decay and equipment saturations. For instance, a common issue that a potential study accounts for is that equipment saturations reduce available savings in future years, lowering the forecasted savings in those future years. Another issue is that measures that decay between 2026 and 2030 would lower the trajectory of the doubling, but would not be accounted for in a straight line approach. Given these shortcomings, the CEC should adopt the original 3% growth rate, as proposed in their January framework paper. This is particularly important if the errors discussed above are not fixed, as decay would moderate the growth rate. Lack of decay in the 2014 IEPR and a straight line approach post 2026 would likely result in an artificially large gap between the literal doubling and cost-effective doubling targets.

III. Conclusion

PG&E appreciates this opportunity to comment on the June, 19 2017 IEPR workshop for 2030 energy efficiency targets and looks forward to continued participation in this process.

Sincerely,

/s/

Wm. Spencer Olinek

⁴ It’s PG&E’s understanding that two targets will be established. One is a literal doubling that doubles the forecast identified in SB350 legislation. The second is a cost-effective doubling that aggregates contributions from various entities across the state.