

**DOCKETED**

<b>Docket Number:</b>	18-IEPR-01
<b>Project Title:</b>	2018 Integrated Energy Policy Report Update
<b>TN #:</b>	225756
<b>Document Title:</b>	Nora Sheriff Comments CLECA Comments on Draft IEPR Update
<b>Description:</b>	N/A
<b>Filer:</b>	System
<b>Organization:</b>	Nora Sheriff/California Large Energy Consumers Association
<b>Submitter Role:</b>	Public
<b>Submission Date:</b>	11/2/2018 8:17:58 AM
<b>Docketed Date:</b>	11/2/2018

*Comment Received From: Nora Sheriff*  
*Submitted On: 11/2/2018*  
*Docket Number: 18-IEPR-01*

**CLECA Comments on Draft IEPR Update**

*Additional submitted attachment is included below.*

California Large Energy Consumers Association Comments on Draft IEPR Update  
Docket # 18-IEPR-01  
November 2, 2018

The overview section notes the significant potential for industrial EE,<sup>1</sup> and the discussion in the text notes some of the barriers that “result in underusing energy efficiency.”<sup>2</sup> Identified barriers include

lack of information, scarcity of high efficiency options in local markets, inexperience or lack of training in the latest high efficiency techniques for local suppliers or contractors, customer payback requirements that differ from those of the utility system, and the inconvenience or hassle of arranging audits or energy efficiency retrofits, among others.<sup>3</sup>

The draft report notes, “While utility programs have been available for the industrial and agricultural sectors, they have not been sufficient to achieve deeper energy efficiency savings.”<sup>4</sup> In CLECA’s experience, issues with industrial energy efficiency programs are a recent development, as demonstrated by the steep decline in energy savings from this sector over the past several years. SCE stated in connection with its existing Third Party Contracts in a recent advice letter, “Since 2014, these programs have seen a reduction in annual savings by over 70% and this downward trend has continued in 2018.”<sup>5</sup> Anecdotal evidence on the increasingly difficult industrial customer experience with the custom industrial project process at the California Public Utilities Commission leads CLECA to conclude that the project review process itself is a significant barrier; this bears mention in the 2018 IEPR Update and should be a topic for the workshops to be held in 2019. Some key process reforms are required by recent legislation, Senate Bill 1131, but more reform is needed for industrial energy efficiency to achieve the savings target sought by California. CLECA encourages the Energy Commission to continue to examine industrial energy efficiency barriers and to work with stakeholders on solutions. CLECA appreciates this opportunity to comment on the draft IEPR Update.

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<sup>1</sup> Draft IEPR Update, at 8 (“For example, manufacturing and agriculture account for about a quarter of total state energy consumption, with about 85 percent of the energy consumed by the industrial sector and the remaining 15 percent by the agricultural sector. Additional savings in these sectors can help fill the gap in meeting SB 350 doubling targets.”)

<sup>2</sup> Draft IEPR Update, at 50 (“on their own, markets cannot overcome key barriers”).

<sup>3</sup> Id.

<sup>4</sup> Id., at 51.

<sup>5</sup> SCE Reply to Protests Filed to SCE Advice 3859-E, SCE’s 2019 EE Program and Portfolio Annual Budget, dated October 11, 2018, at 5.