



**Southern California Public Power Authority**

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July 1, 2009

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**DOCKET**

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SUBJECT: **Comments on the Draft Staff Report:**  
Achieving cost-effective energy efficiency for California:  
Second annual AB2021 progress report,  
CEC-200-2009-008-SD

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Thank you for the ongoing and open discussion about Energy Efficiency Programs and their key role in meeting California's goals of green house gas reductions.

Southern California Public Power Authority (SCPPA) is a joint powers authority consisting of eleven municipal utilities and one irrigation district; all are Publicly Owned Municipalities (POUs). SCPPA members deliver electricity to approximately two million customers over an area of 7,000 square miles, with a total population of over five million. The Members include the municipal utilities of the cities of Anaheim, Azusa, Banning, Burbank, Cerritos, Colton, Glendale, Los Angeles, Pasadena, Riverside, Vernon, and the Imperial Irrigation District.

**SCPPA Members are concerned about the ability to maintain and increase program saturation within the present economy:**

The SCPPA members have found benefits in working collectively on public benefit program development and joint action programs for energy efficiency measures such as high-efficiency lighting (compact fluorescent), appliances (refrigerator recycling), air conditioners (tune-ups and replacements), motors (pool pumps), and numerous other programs. There are also direct installation services for energy efficiency measures for both residential and business customers. In addition to monetary incentives member utilities conduct school-based and community communication programs designed to educate customers about the benefits of energy efficiency.

It is important to note however that participation in energy efficiency programs are still "voluntary," as subscribed by the customers, and there is a need to continuously educate the public about their role and responsibility to use energy wisely, be considerate of use during peak hours during the day and how they can directly contribute to the reduction in green house gas emissions. As is demonstrated by the variances observed in our annual reports, the success of Energy Efficiency programs can be dramatically affected by customer response and the continuance of program saturation is not guaranteed.



**Energy Efficiency Programs represent only 33% of the Public Benefits Programs delivered by SCPPA Members:**

In addition to energy efficiency, AB 1890 requires all California electric utilities to commit a portion of their revenue to other Public Benefit Programs, including renewable energy, research, development and demonstration (RD&D), and low-income customer assistance. Since 1998, over \$921 Million has been spent to date to support local communities.

<b>Public Benefit Programs SCPPA Members</b>	Expenditures through June 2008	
Low Income Assistance	\$331,840,000	36%
<b>Energy Efficiency Programs</b>	<b>\$303,456,000</b>	<b>33%</b>
Renewable (Load Side)	\$162,722,000	18%
Research & Development	\$94,023,000	10%
Administration	\$29,345,000	3%
Total:	\$921,386,000	

It is important to note that local policy makers allocate public benefit funds among four authorized categories based on the needs of their individual communities. Energy Efficiency Programs represent only a portion of the expenditures on critical community support programs. Quite simply, the constituents of our communities impact the prioritization of program allocations and while Energy Efficiency is an important focus of this report, it is not the only need competing for funds. And the available pool of funds in the present economy is declining: the Public Goods Charge (PGC) is funded as a percentage of utility energy sales which are dropping for some SCPPA Members.

SCPPA Member cities are dealing with gut-wrenching budget decisions and numerous program cuts for their constituents. The implication that spending on Energy Efficiency Programs beyond the PGC, either through contributions by the General Fund or other targeted re-direction of funds is not a viable consideration. Our focus is to deliver the maximum potential results with the funds available.

**SCPPA Members are initiating Measurement and Verification (M&V) programs to confirm the greatest impact and optimize delivery of Energy Efficiency Programs:**

SCPPA has awarded on behalf of its Members a contract for Measurement and Verification of Energy Efficiency Programs including evaluation protocols which are appropriate to each of the diverse service territories. These plans and initial program findings will be included in the next annual 2009-2010 report.

Due to the understood variances in program saturation between service territories, SCPPA Members respectfully remind the Commission that program assessment and choices cannot be painted as broad-brush conclusions applicable to the entire state. While program success may appear dramatic in one area, it can easily fail in a subsequent year, or fail in an alternate service territory. Our focus is to deliver the maximum potential results within each respective City.



**SCPPA Members are enthusiastic about the 2010 Energy Efficiency Potential Study:**

SCPPA has joined with the Northern California Power Association (NCPA) in awarding a contract for a state-wide EE Potential study. Additionally we have awarded a contract for corrections to the E3 reporting tool to accommodate DEER updates and improve the consistency of reporting. With these updates we anticipate delivering a revised EE portfolio and the confirmed tool for reporting results in 2010 and beyond. However, the existing targets were established under the assumptions of 2007, including the DEER metrics, and we intend to report the results for 2009-2010 using existing methodology.

SCPPA is also negotiating a targeted survey to determine consumer consumption behavior and EE program participation within the present economy. It is assumed the findings of this survey will reveal the customers are unwilling to make energy efficiency investments (even if only a portion of the total cost) and the previously assumed potential of rebate programs and other shared cost structures will be a key driver to our forecast.

**Overall Staff Recommendations:**

SCPPA Members welcome the invitation to continue working together with the commission staff and wish to increase communications and contact to the extent feasible under our City(s) budget and travel restrictions. We recognize the logistics of our separation from Sacramento and take this opportunity to invite the commission staff to join our monthly Public Benefits Meetings when at all possible (the first Wednesday of every month). Included in ongoing communications will be updates regarding the balance of PGC funding, updates on Stimulus Funding, and updates on collaboration with other governments and utilities (such as overlaps with water and gas conservation programs).

SCPPA Members are also pleased to offer to host workshop(s) during the development of our M&V studies and in anticipation of the EE Potential Study and will continue our efforts to explain annual program fluctuations due to customer response and program saturation.

**Detailed Corrections:**

Attached to this document are detailed corrections to table A-1 and A-2, including transposed numbers, labeling and other minor corrections. Additionally, tables A-3 through A-5 appear to be an extrapolation of information, yet are incomplete as the March Status Report offered highlights but did not include exhaustive detail on every program in each service territory. X's have been added to reflect additional ongoing programs.



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**SCPPA Members continue to seek ways improve our program success:**

Customer education is becoming an ever increasing focus for the SCPPA Members. Programs have been established to encourage the ongoing need for efficient use of electricity, educate the next generation of consumers through school-based programs, and explain the importance of time-of-use to reduce greenhouse gas emissions. SCPPA has also hired the best of behavioral change specialists to deploy targeted messages to residential customers.

SCPPA Members are committed to delivering the most cost effective energy efficiency programs, improving delivery and customer saturation potential, and communicating the need for societal change in consumption patterns to meet the goal of reduced greenhouse gas emissions. We have set stretch goals and continue to strive to meet them.

If you have any questions, please do not hesitate to call me at 626.793.9364.

Sincerely,

David Walden  
Energy Systems Manager  
Southern California Public Power Authority

**Table 5: POU Reported 2008 Energy Savings (MWh)  
Compared to Targets and Performance Range**

<b>Utility</b>	<b>2008 Target</b>	<b>Target Minus 20%</b>	<b>2008 Reported Savings</b>	<b>Target Plus 20%</b>
Anaheim	16,117	12,894	16,808	19,340
Burbank	<b>11,307</b>	9,046	8,719	13,568
Glendale	11,586	9,269	13,548	13,903
Imperial	29,000	23,200	30,644	34,800
LADWP	315,000	252,000	115,519	378,000
Lodi	2,000	1,600	3,091	2,400
Modesto	13,586	10,869	16,123	16,303
Palo Alto	2,800	2,240	4,399	3,360
Pasadena	10,000	8,000	8,164	12,000
Redding	2,803	2,242	1,640	3,364
Riverside	22,640	18,112	<b>7,260</b>	27,168
Roseville	8,716	6,973	9,314	10,459
Silicon Valley Power	25,762	20,610	24,509	30,914
SMUD	107,000	85,600	114,662	128,400
Turlock	7,271	5,817	10,937	8,725
<b>Total</b>	<b>585,588</b>	<b>261,322</b>	<b>385,335</b>	<b>391,984</b>

**Notes:**

Burbank 2008 RMI potential study indicates a target of 0.77% = 8,706 MWh. Presented in this report is the stretch target of 1.0%

Riverside 2008 Reported included a data entry error (refrigerator recycling and low income refrigerators were not reported as individual line items). Corrected numbers will be delivered when available.

**Table A-1: POU Reported and Projected Expenditures**

<b>15 Largest Utilities</b>	<b>2007 Reported (\$000)</b>	<b>2008 Reported (\$000)</b>	<b>2009 Projected Savings (\$000)</b>
Anaheim	2,046	3,655	5,546
Burbank	1,723	2,720	2,582
Glendale	2,886	2,947	2,694
Imperial	3,249	4,957	6,066
LADWP	12,550	35,942	71,976
Lodi	218	415	331
Modesto	2,154	3,139	1,351
Palo Alto	1,061	1,485	1,559
Pasadena	1,628	1,357	4,170
Redding	1,624	2,305	2,564
Riverside	1,945	2,739	2,830
Roseville	1,214	2,058	1,697
Silicon Valley Power	3,602	5,803	5,977
SMUD	21,938	28,965	35,609
Turlock	1,021	1,144	2,268
Total for 15 Utilities	60,000	100,000	148,000
Rest of Utilities (24)	3,623	4,277	4,901
<b>Grand Total</b>	<b>64,000</b>	<b>104,000</b>	<b>153,000</b>

Sources: California Energy Commission staff. California Municipal Utilities Association. *Energy Efficiency in California's Public Power Sector. A Status Report*, March 2009.

Notes: Column label for 2009 projected should read "expenditures"

**Table A-2: Smaller POU's Energy Efficiency Reported Savings Versus Targets (MWh)**

Utility	2008 Target	Target Minus 20%	2008 Reported Savings	Target Plus 20%
Alameda	760	608	2135	912
Azusa	2084	1667	2352	2501
Banning	873	698	634	1048
Biggs	106	85	133	127
Corona	467	374	<b>1583</b>	560
Colton	2625	2100	<b>23</b>	3150
Gridley	92	74	24	110
Healdsburg	198	158	236	238
Hercules	136	109	79	163
Industry	0	0	0	0
Island Energy	178	142	102	214
Lassen	733	586	123	880
Lompoc	1121	897	304	1345
Merced	3619	2895	1871	4343
Moreno Valley	822	658	298	986
Needles	817	654	72	980
Plumas-Sierra	621	497	422	745
Port of Oakland	884	707	280	1061
Rancho Cucamonga	448	358	359	538
Shasta Lake	129	103	30	155
Trinity	0	0	12	0
Truckee Donner	1001	801	4456	1201
Ukiah	198	158	279	238
Vernon	0	0	935	0
<b>Total</b>	<b>17912</b>	<b>13830</b>	<b>16741</b>	<b>20744</b>

Sources: California Energy Commission staff; California Municipal Utilities Association. *Energy Efficiency in California's Public Power Sector. A Status Report*, March 2009.

Notes: Data entry appears transposed for Corona and Colton.

**Table A-3: Large POU's Energy Efficiency Residential Programs**

Utility	Air Conditioner/HVAC	HVAC Duct Testing / Maintenance	Check Me	CFL / Incentive / Distribution / Give Away	Energy Audit	Energy Star Appliance Rebates	Energy / Financial / Loans / Grants	Home Electronics	Lighting Incentive / Retrofit	Low Income Assistance	Online Services	Permit Waiver Fee	Pool / Pump	Refrigerator/Freezer Recycling Rebates	Refrigerator Exchange / Replacement	Residential Outreach / Education	Shade Tree	Solar/ Photovoltaic	Water Rebates /Survey's	Weatherization
Anaheim		X		xxx	xx	x	x		X	x	x	x				X	x	X	xx	x
Burbank	x	X	x	x		X			X	X	x		X	x	x	X	x	X	X	x
Glendale	x		X	xxx	x	X			X	xx	X	X	X	x	x	X	x	X	x	
Imperial	x	x		X	x	x	xx			X						X		xx		x
LADWP				x	x	x								x	x					
Lodi	x	x				x	xx													x
Modesto	x					x			x											x
Palo Alto											x				x					x
Pasadena	x			xx	x	x			X	X	X		x	x	X	X	x	X	X	
Redding	x	x			x	x			x											x
Riverside	x				X	xx	X			xx	x		x	x	x		x	x		x
Roseville	x				x					xx	x			x		X	x		X	
Silicon Valley Power				x	x	x								x				x		x
SMUD	x				x	x		x	x				x				x			x
Turlock (TID)	x				x	x			x	x				x			x			x

The "X" represents the number of programs for each measure.

Note: Low Income Assistance is technically not an EE Program, rather a competing service under the Public Goods Charge distributions.

**Table A-4: Large POUs' Energy Efficiency Non-Residential Programs**

Utility	Air Conditioner/HVAC	CFL / Incentive / Give Away	Chillers / Compressors/ Cooling Towers	Demand Side Management	Education / Outreach	Energy Audit / Incentives	Energy Efficiency Technologies	Energy Efficient Exit Signs	Energy Star Rebates	Energy / Financial / Loans	HVAC / New Cooling	Heat Pump Rebates	Large Business Energy	Leadership Energy and Environmental Design Cert	Lighting Savings / Rebates	Low / Senior Income	Metering	New Construction Design	New Construction Rebates / technical Assistance	Online Services	Permit Waiver	Public Facilities Lighting Retrofit	Pumps / Motors Replacement	Refrigeration Rebates	Refrigeration Retrofit or Replacement	School / Education	Retrocommissioning (RCx)	Shade Tree	Small Business Energy	Solar/ Photovoltaic	Water Rebates	Weatherization			
Anaheim	x	X	X	X	X	x	X	x		x	X	x	X	X	xx	x		x	x	X	x	x	xx		x	X		X	x	X	xx	x			
Burbank	x	X	X		X	X	X				X	X		x	X		X		X		X	X	X			X		x	X	X	X				
Glendale	x	X	X	X	X	x	X	X	X		X	X	x	X	X			X	X	X	X	X	X	X	X	x	X		xx	x	X	X	X		
Imperial	x			x		x		X	x		X	X			X			x	X				X			x				X					
LADWP	x					x	x			x							x	x											x						
Lodi	x					x									x								x			x					x				
Modesto	x		x												x								x		x								x		
Palo Alto	x														x				x				x			x									
Pasadena	x		X		X	x	x	X			X		X	x	X			X	X			X	X	X	X	X		X	X	X	X				
Redding															x										x										
Riverside	x		X	X	x	x	x	X	X	X	x	X	X		x		X	x	X	X		x	x	X	X	x		x		x					
Roseville																	x	xx				x	x			xx	xx								
Silicon Valley Power	x		x			x	x							x	x			x	x			x	x		x					x					
SMUD	x									x					x			x	xx						x										
Turlock (TID)	x					x									x		x							x		xx	x								

Note: Low Income Assistance is technically not an EE Program, rather a competing service under the Public Goods Charge distributions.



Table A-5: POUs with Demand Response Programs

Utility	Demand Reduction Programs			
	Peak Load Reduction Program(s)	Municipal Load Reduction	HVAC Load Shifting Through Thermal Storage	Smart Grid/AMI Program(s)
Anaheim	X	X	X	Planned
Azusa	X			
Burbank			X	<u>Planned</u>
Glendale	<u>Planned</u>	<u>Planned</u>	<u>Planned</u>	Planned
Gridley	X			
Imperial ID	X			
LADWP	X		Planned	
Lompoc	X			
Modesto ID	X			Planned
Palo Alto	x			
Pasadena	<u>Planned</u>			
Redding			X	
Riverside	X	<u>X</u>	<u>X</u>	
Roseville	X			Planned
SMUD	X			Planned
Silicon Valley	X			
Turlock ID				X

Source: CMUA , *Energy Efficiency in California's Public Power Sector: A Status Report*, March 2009