

## DOCKETED

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*Comment Received From: Manuel Alvarez*

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**SCE's Comments on the CEC Docket No. 15-IEPR-05: Joint Agency Workshop on the Governor's Energy Efficiency Goals**

*Additional submitted attachment is included below.*

July 17, 2015

California Energy Commission  
Docket Office, MS-4  
Re: Docket No. 15-IEPR-05  
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-05: Joint Agency Workshop on the Governor's Energy Efficiency Goals

Dear Commissioner McAllister:

On July 6, 2015, the California Energy Commission (Energy Commission) held a Joint Agency Workshop on the Governor's Energy Efficiency Goals ("the Workshop") as part of the 2015 Integrated Energy Policy Report ("IEPR") Proceeding. Southern California Edison (SCE) participated in the Workshop and appreciates the opportunity to provide these written comments.

SCE supports the Governor's energy efficiency policy goals and looks forward to coordinating with the Energy Commission and stakeholders to achieve them. In these comments, SCE recommends that the Energy Commission: (1) provide greater clarity and direction in defining the goals and methodology for doubling efficiency in existing buildings, (2) leverage the expertise of investor owned utilities (IOUs) in achieving state goals, (3) coordinate with stakeholders to integrate energy efficiency (EE) into long-term planning efforts, and (5) meaningfully address barriers to achieving to-code savings.

**A. The Energy Commission Should Provide Clear Direction and a Methodology for Doubling Efficiency in Existing Buildings**

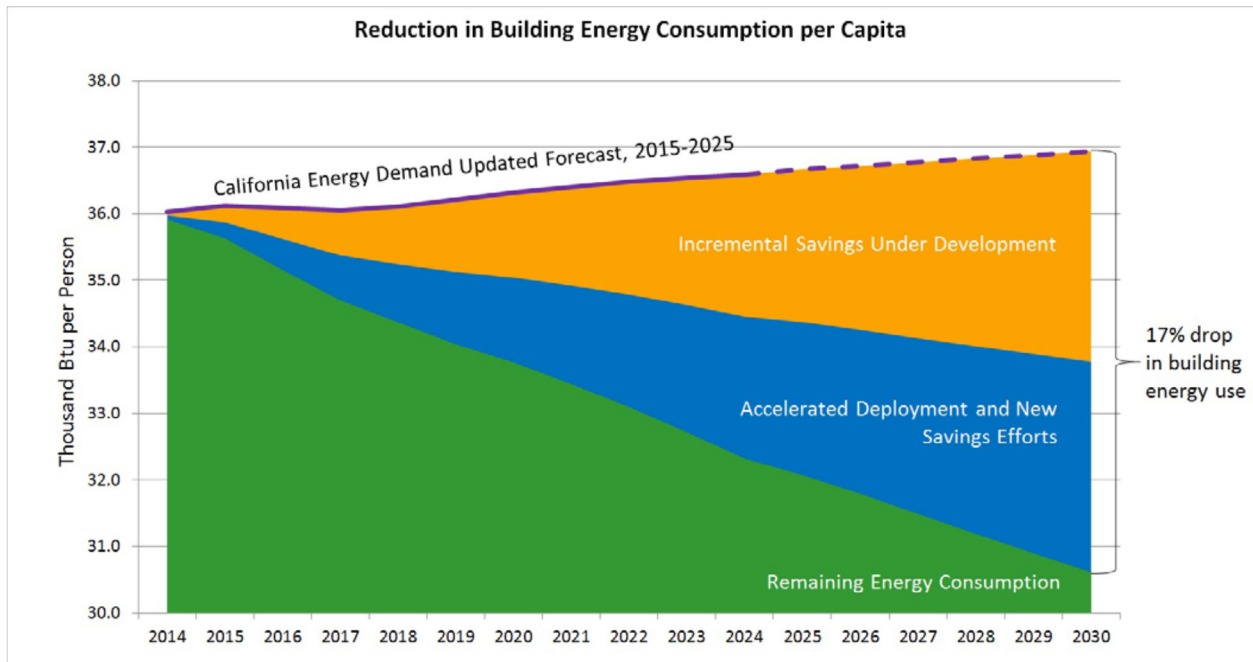
Earlier this year, Governor Brown identified doubling the efficiency of existing buildings as a priority goal for reducing greenhouse gas (GHG) emissions in California over the next fifteen years. In March 2015, the Energy Commission released a draft Existing Buildings Energy Efficiency Action Plan<sup>1</sup> (EBEE Plan) outlining specific strategies to reduce energy-usage in California's existing buildings. SCE provided detailed comments on the EBEE Plan following an IEPR workshop focusing on this topic.<sup>2</sup>

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<sup>1</sup> See Energy Commission's Existing Buildings Energy Efficiency Draft Action Plan, March 6, 2015.

<sup>2</sup> See SCE Comments on Existing Building Energy Efficiency Action Plan. April 21, 2015, at: [http://docketpublic.energy.ca.gov/PublicDocuments/15-IEPR-05/TN204281\\_20150421T135351\\_Manuel\\_Alvarez\\_Comments\\_Existing\\_Buildings\\_Energy\\_Efficiency\\_Ac.pdf](http://docketpublic.energy.ca.gov/PublicDocuments/15-IEPR-05/TN204281_20150421T135351_Manuel_Alvarez_Comments_Existing_Buildings_Energy_Efficiency_Ac.pdf)

The EBEE Plan included the figure<sup>3</sup> depicted below:



The above figure was presented at the beginning of the Workshop. SCE understands that the “Incremental Savings Under Development” wedge represents the Energy Commission’s Codes and Standards and Additional Achievable Energy Efficiency (AAEE) forecasts, and that the “Accelerated Deployment and New Savings Efforts” wedge represents a “doubling” of the “Incremental Savings Under Development” wedge on a Thousand British Thermal Units (BTU) per person scale. SCE is concerned that the term “Incremental Savings Under Development” does not provide sufficient guidance to entities charged with operationalizing the doubling of energy efficiency in existing buildings. SCE therefore recommends that the Energy Commission either define the term or adopt more precise terminology that provides quantifiable metrics and guidance and responsibilities for achieving those goals.

**B. The Energy Commission Should Coordinate With, and Leverage Utility Expertise**

At the Workshop, the Energy Commission outlined the current assumptions that the new and revised approaches for additional existing building efficiency would be captured within publicly-owned utility (POU) service territories, and that they would include “naturally occurring” savings from investments and behavioral changes made by consumers outside of any incentive program. SCE, however, believes that the investor-owned utilities (IOUS), as national leaders in EE programs, can also provide valuable assistance in advancing the Governor’s goals. SCE is eager to collaborate with the

<sup>3</sup> Ibid., Page 24

Energy Commission, other agencies, building owners, and residents to continue improving EE in California's buildings.

**C. The Energy Commission and Stakeholders Should Integrate EE in Long-Term Procurement and Infrastructure Planning Efforts**

As required in the CPUC's Final Guidance for the Distribution Resources Plan (DRP) proceeding (R.14-08-013), one of the expected outcomes of the DRP process should be greater granularity and accuracy in utility forecasting of distributed energy resources (DERs) impacts on load. This improved and more granular load forecasting should ultimately align with and inform the development of the IEPR forecast.<sup>4</sup> SCE has provided comments in its DRP regarding the need for integrating load forecasts, including those conducted at the distribution, sub-transmission, and transmission levels by different stakeholders, including the utilities, CPUC, and Energy Commission.<sup>5</sup>

As part of the transformation of future load forecast processes, SCE believes a higher level of coordination among state agencies (e.g., CEC, CAISO, and CPUC) and stakeholders will become more critical in future planning efforts to integrate both the use of the data, and to better align the timing of these various processes. This will require a higher level of communication and coordination between CAISO's TPP, CEC's IEPR, and CPUC's LTPP and DRP. This should enable utility resource planners and state agencies to better plan for and utilize EE as a resource to reliably meet customer demand.

Resource Planners are moving towards an Integrated Resource Planning approach, as evidenced by the DRP, in which EE and other preferred resources are valued similarly to conventional generation resources. In its Preferred Resources Pilot (PRP), SCE is currently also investigating the ability of preferred resources to lower energy demand and defer energy system upgrades. The PRP and similar efforts should be used to inform future policy for EE and a more integrated planning approach.

**D. The Energy Commission Should Address Barriers to Increasing Building Efficiency**

Existing Infrastructure To-Code savings are currently assumed to be captured within the Energy Commission's Code and Standard programs, but as Talbot Gee, of Heating and Air-Conditioning & Refrigeration Distributors International (HARDI) noted at the Workshop, that is not always the case. Moreover, significant barriers are currently limiting or preventing building owners/tenants from increasing the efficiency of their existing equipment. Among these barriers are several "unintended consequences" of code increases, including: (1) increasing costs for replacing Central Air Conditioning units; (2) customers' losing the ability to use EE program incentives to help with the cost of code compliant measure adoption, and (3) bifurcation issues for new construction vs. existing buildings, and corporations vs. small customers. Such barriers are removing or delaying the realization of to-code savings. Encouraging more customer-friendly and efficient measures would substantially enhance customers' ability to take action to increase their building efficiency thus benefiting the environment, capturing below-code savings, and reduce energy costs.

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<sup>4</sup> See CPUC Distribution Resources Plan Final Guidance (R.14-08-013).

<sup>5</sup> See SCE's Distribution Resources Plan Application. July 1, 2015. pp. 235-240.

**E. The Energy Commission Should Reference SCE's Comments Recommending on Benchmarking and Customer Data**

SCE recognizes the value of building energy benchmarking in support of California's important climate policies and goals, and looks forward to working with the Energy Commission and stakeholders to develop an approach that properly balances data security, confidentiality, customer needs, and energy savings. SCE supports the Energy Commission's exploration into options to achieve these goals, so long as they are consistent with SCE's commitment and obligation to protecting customer's privacy and ensuring their confidentiality.

During the Workshop, the Energy Commission and stakeholders discussed several topics initially mentioned during the recent IEPR Workshop on Strategies Related to Data for Improved Decisions. SCE's previously submitted comments on that workshop included a confidentiality matrix of legal protections for customer data with which SCE is obligated to comply.<sup>6</sup> As in its previous comments, SCE strongly encourages (1) coordination among stakeholders—including the CPUC, and other state and federal agencies, and (2) consistency in its treatment of access to electric utility customer data.

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

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<sup>6</sup> See: SCE Comments on Lead Commissioner Workshop on Strategies Related to Data for Improved Decisions, submitted April 28, 2015, at: [http://docketpublic.energy.ca.gov/PublicDocuments/15-IEPR-05/TN204421\\_20150428T154857\\_Southern\\_California\\_Edison\\_Comments\\_on\\_Lead\\_Commissioner\\_Works\\_h.pdf](http://docketpublic.energy.ca.gov/PublicDocuments/15-IEPR-05/TN204421_20150428T154857_Southern_California_Edison_Comments_on_Lead_Commissioner_Works_h.pdf)