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MCE Comments on Doubling EE Workshop

Additional submitted attachment is included below.



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Ray Withy
City of Sausalito

Emmett O'Donnell
Town of Tiburon

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City of Walnut Creek

July 25, 2016

California Energy Commission
Dockets Unit

Re: Docket No. 16-IEPR-05
1516 Ninth Street, MS 4
Sacramento, CA 95814-5512

**Re: IEPR Joint Agency Workshop on Energy Demand Forecast &
Doubling of Energy Efficiency - Data & Analytical Needs**

Marin Clean Energy ("MCE") hereby submits its comments on the July 11, 2016 workshop that examined data and analytical needs for the energy demand forecast and doubling of energy efficiency under Senate Bill ("SB") 350 (2015), held at the California Energy Commission ("CEC"). MCE respectfully recommends the CEC consider the general impacts of Community Choice Aggregators ("CCAs") on the demand forecast and the specific CCA contributions to achieving energy efficiency savings.

Introduction

MCE is a not-for-profit public agency and is the first operational CCA within California. MCE customers receive electric generation services from MCE, and electric transmission, distribution, and billing services from PG&E. MCE currently provides generation services to approximately 170,000 customer accounts throughout Marin County; unincorporated Napa County; and the cities of Richmond, El Cerrito, and Benicia. By 2017, MCE will also serve the cities of Lafayette, Walnut Creek, Calistoga, St. Helena, Napa, American Canyon, and Yountville. These communities will represent an approximately 40% increase in customer accounts relative to 2015. MCE is also an energy efficiency ("EE") program administrator approved by the California Public Utilities Commission ("CPUC") to implement ratepayer funded EE programs.

MCE supports the work of the CEC in preparing to double energy efficiency and developing a useful demand forecast. However, MCE is concerned that stakeholders are not adequately considering the impacts of CCAs in procuring renewable electricity or contributing to energy efficiency savings. CCAs were virtually absent from the discussion at the workshop. This is concerning because CCAs are empowered to achieve savings that count toward state targets under SB 350 through energy

efficiency and demand reduction programs.¹ The CEC should include data collection and analysis of the potential impacts of CCAs.

The CEC should consider the impact of CCAs in the demand forecast and in the doubling of energy efficiency as a result of: (1) the potential growth in CCAs within California; (2) the statutory authority for CCAs to achieve energy savings; and (3) the trend of CCAs voluntarily exceeding the Renewable Portfolio Standard (“RPS”). The confluence of these factors could result in a dramatic departure from the status quo in California.

The CEC should also investigate the feasibility of providing the demand forecast at sufficient granularity to inform potential analyses of CCAs.

Jurisdictions Throughout California are Pursuing CCA

Since MCE’s launch in 2010, many other jurisdictions throughout California have taken action to form or join a CCA. Currently, there are four active CCAs: Sonoma Clean Power, Lancaster Energy Choice, CleanPowerSF (San Francisco), and MCE. San Mateo County and Santa Clara County are each planning to launch a CCA within the next year. Los Angeles County is planning to launch a CCA as early as January 1, 2017 that could include 1.5 million customers (approximately 30% of Southern California Edison’s customers) when fully enrolled.² There are sixteen other counties throughout California that have either taken official action or invested resources to explore a CCA.³ The potential growth of CCAs and the corresponding number of customers served is worth examining as it may change how energy is procured and used in California. The rapid development of CCAs throughout California indicates a need for consideration of CCA data.

CCA Energy Savings will Help California Double Energy Efficiency

CCAs have a statutory right to administer energy efficiency programs.⁴ SB 350 explicitly called for the energy savings from CCA energy efficiency programs and from CCA operational, behavioral, and retrocommissioning activities to count toward achieving statewide energy efficiency targets.⁵ Depending on the growth of CCAs, the achievements in saving energy may substantially assist California in doubling energy efficiency. The CEC, at a minimum, should collect data and analyze the impact of CCAs in saving energy.

CCAs Tend to Exceed the RPS and Prioritize Carbon-Free Electricity

CCAs have jurisdictional authority over procurement targets.⁶ CCA governing boards, comprised of local elected officials, tend to adopt targets that exceed the RPS requirement and focus on carbon-free resources. Many jurisdictions are pursuing CCA because it was included as

¹ Cal. Pub. Resources Code § 25310(d)(6) & 25310(d)(8).

² <http://cacurrent.com/subscriber/archives/27808>.

³ <http://cleanpowerexchange.org/california-community-choice>.

⁴ Cal. Pub. Util. Code § 381.1.

⁵ Cal. Pub. Resources Code § 25310(d)(6) & 25310(d)(8).

⁶ Cal. Pub. Util. Code § 366.2(a)(5).

a proven strategy for reducing greenhouse gas (“GHG”) emissions and is reflected in their climate action plans.

In fact, community choice aggregation is one of the most effective strategies for a city or county to reduce GHG emissions: Marin County achieved its climate goals eight years ahead of schedule due in large part to the GHG savings resulting from MCE’s procurement. MCE currently provides all customers electricity that is 52% renewable energy (*i.e.* Light Green service) with an option for customers to pay a modest premium for 100% renewable electricity (*i.e.* Deep Green service). MCE’s Board has adopted additional targets to transition the Light Green service to be 80% renewable electricity and 95% carbon-free electricity by 2025.⁷ All active CCAs have generally followed this trend as a way to implement their climate action plans and differentiate themselves from electricity generation service provided by an investor-owned utility (“IOU”). The CEC should consider CCA adopted targets as articulated in their respective Integrated Resource Plans as a data source.

The Demand Forecast Should Accommodate Potential Analysis for CCAs

The existing demand forecast and resulting energy efficiency potential is conducted at IOU planning levels. This does not provide sufficient granularity to determine the additionally achievable energy efficiency (“AAEE”) potential in a CCA service area. If a CCA wishes to establish goals and targets for its ratepayer funded energy efficiency programs, it must pay for such an analysis out of pocket, thereby causing its ratepayers to pay twice, once for the IOU forecast and once for the CCA forecast. The CEC acknowledged that a lack of data precludes the CPUC from developing goals for CCAs in the 2015 update to the Integrated Energy Policy Report (“IEPR”).⁸ The CEC also described that additional data made available under Assembly Bill 802 (2015) provides “significant building blocks for improving and localizing projections of energy efficiency savings within Energy Commission forecasts.”⁹ The CEC should investigate the feasibility of providing the demand forecast at sufficient granularity for a CCA to extrapolate the AAEE in its service area.

Conclusion

MCE respectfully requests that the CEC consider the impact of CCAs in the demand forecast and in the doubling of energy efficiency. The potential growth of CCAs within California could change how the state uses and procures energy. CCAs possess statutory authority to administer energy efficiency programs with statutory direction to count savings toward statewide targets. CCAs hold great potential to help California double energy efficiency. CCAs tend to voluntarily exceed the RPS, which may lead to large portions of the state receiving a greater share of renewable energy. The CEC should attempt to provide a demand forecast that

⁷ MCE - Integrated Resources Plan: 2015 Update, October 2015 at p. 8-9, 22-2. Available at https://www.mcecleanenergy.org/wp-content/uploads/2016/01/Marin-Clean-Energy-2015-Integrated-Resource-Plan_FINAL-BOARD-APPROVED.pdf.

⁸ 2015 IEPR, CEC, at p. 31. Available at http://docketpublic.energy.ca.gov/PublicDocuments/15-IEPR-01/TN212018_20160629T154356_2015_Integrated_Energy_Policy_Report_Full_File_Size.pdf.

⁹ 2015 IEPR, CEC, at p. 31.

enable CCAs to discern the AAEE in their service areas. The CEC should consider these details when determining the data and analytical needs to develop an appropriate demand forecast and double energy efficiency. MCE looks forward to continued participation and thanks CEC staff for addressing these important issues.

Sincerely,

A handwritten signature in black ink, appearing to read "MCD", with a stylized flourish at the end.

Michael Callahan-Dudley
Regulatory Counsel