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Additional submitted attachment is included below.



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California Energy Commission
Docket Office
1516 Ninth Street
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Subject: Southern California Gas Company and San Diego Gas & Electric Comments on 2016 Existing Buildings Energy Efficiency Action Plan Update, Docket No. 16-EBP-01

Dear Commissioner McAllister:

The Southern California Gas Company (SoCalGas) and San Diego Gas and Electric (SDG&E), (referred to herein as the Joint Utilities), thank the California Energy Commission (CEC) for hosting the Staff Workshop on the 2016 Existing Buildings Energy Efficiency Action Plan (EEAP) Update. This workshop focused on updates to the 2015 Existing Buildings Energy Efficiency Action Plan to help the CEC implement provisions within Senate Bill (SB) 350 and Assembly Bill (AB) 802.

The Joint Utilities offer comments on specific additions to the Existing Buildings EEAP, by strategy, as presented in the workshop.

Comments

Strategy 1.9.4 SB 350 Energy Efficiency Targets

As the CEC establishes the framework for setting targets to double energy efficiency savings, the Joint Utilities request that savings goals are aligned with the net savings approach required by the California Public Utilities Commission (CPUC) Decision 16-08-019. The Joint Utilities, along with other Energy Efficiency Program Administrators, are currently preparing Business Plans to achieve savings goals set forth by the CPUC over the next 10 years. It is important for the CEC and CPUC to work together in determining these goals, to achieve a doubling of energy efficiency net of program effects, so that Program Administrators are planning toward a consistent target.

Strategy 1.2.2 Time-Certain Benchmarking and Disclosure Rulemaking

The Joint Utilities consistently strive to enhance and add value to energy efficiency portfolio offerings and recognize the importance of establishing benchmarks in order to

gauge the success of these efforts. Though receptive to the idea of establishing a statewide energy benchmarking program with the goal of eventually disclosing energy use data to the public, the Joint Utilities maintain commitment to ensuring the security of customer data at all times. Given recent CPUC rulings around customer confidentiality, paired with the ever-present threat to cyber security, the Joint Utilities encourage any plan to transfer and disclose customer information be carefully vetted and ensure that customer confidentiality is maintained, in accordance with Privacy Protection Rules established in CPUC Decision 12-08-045.

Strategy 1.8 Energy Efficiency as a Clean Distributed Energy Resource

The CPUC is actively considering augmentations and refinements to many of the policies regarding Distributed Energy Resources (DERs) in CPUC proceedings. In an effort to coordinate these activities, the CPUC's DER Action Plan seeks to align the CPUC's vision and actions to shape California's distributed energy resources future. The Joint Utilities believe the themes and connections presented in the Action Plan provide a good framework from which to explore the details of DER integration and requests the following language (in blue) be added to Strategy 1.8.1 "Utility Procurement of Energy Efficiency":

Further develop the utility procurement model for energy efficiency, building on the SCE Preferred Resources Pilot, the PG&E proposal for the Diablo Canyon settlement, and the California Public Utilities Commission's DER Action Plan.

Strategy 2.1.9 Energy Consumption Baselines

The Joint Utilities encourage the CEC to establish energy-use baselines at appropriate levels as to not put customer privacy at risk. This strategy update indicates the need to preserve customer confidentiality when making energy data publicly available, and the Joint Utilities request the CEC aligns with the Privacy Protection Rules established in CPUC Decision D.12-08-045.

Strategy 2.1.11 Building Energy Data Repository

The Joint Utilities strongly recommend that the CEC work closely with the Investor-Owned Utilities early in the process of developing energy data access infrastructure. This is to ensure that customers have easy access to the right data to make informed energy-saving decisions, while maintaining customer confidentiality and protection of sensitive information in accordance with the Privacy Protection Rules established in Decision 12-08-045.

Strategy 3.1 Streamlined and Profitable Industry

Since the original Existing Buildings EEAP was issued in 2015, two milestone decisions (D.15-10-028 and D.16-08-019) were issued by the CPUC as part of Phase II of the Rolling Portfolio Proceeding (R.13-11-005). The Existing Buildings EEAP Update incorporates language related to key changes to the energy efficiency landscape, as outlined in those decisions, to align the action plan with the guidance issued. Specifically, the EEAP update adopts the strategy (3.1.1) of streamlining program requirements and operational procedures by implementing them statewide with uniform design to drive increased customer participation and save administration costs. The Joint Utilities are working on

incorporating these required changes into their 2018 Energy Efficiency Business Plans to align with the EEAP and comply with the CPUC's requirements.

Strategy 3.3 Energy Efficiency Workforce Alignment

The Joint Utilities appreciate the CEC's focus on Workforce Education and Training (WE&T) programmatic efforts in the EEAP update. Many of the new concepts proposed in the Workforce Alignment strategy support the Joint Utilities' and other IOU visions for WE&T efforts as the portfolio transitions into the Rolling Portfolio model.

Workforce Alignment sub-strategies are focused on developing meaningful and effective training and skill building opportunities. The Joint Utilities' programs have offered a suite of energy efficiency education programs that span from energy education and career awareness programs for K-12 students to advanced skills training and certification programs for skilled, incumbent workers. The WE&T program educational offerings support multiple sectors and end-uses and are provided via a wide range of delivery methods including in-person workshops, webinars, educational series and certification programs. The Joint Utilities collaborate with educational institutions and industry to provide WE&T programs to ensure a qualified workforce. Skills building educational tracks consider existing workforce demographics and characteristics coupled with economic forecasts and possible areas of growth. Finally, WE&T considers the changes being driven by legislative and regulatory initiatives, such as the doubling of energy savings goals from SB350, that impact the target audience and program offerings.

Planned changes to the WE&T programs will further align the efforts of the program administrators with those of the EEAP. Workforce Alignment sub-strategy 3.3.10 specifies that energy efficiency work provide opportunities to workers from disadvantaged communities, a direct outcome of the high level recommendations issued by the UC Berkeley Labor Center.¹ In the upcoming Energy Efficiency Business Plan applications (due January 15, 2017), the utilities are proposing the addition of the Career & Workforce Readiness (CWR) statewide program. The new offering will provide its primary target audience with energy education and workforce development resources through collaborations with organizations that serve disadvantaged workers and communities, such as workforce investment boards, community-based organizations, and workforce development agencies. The IOUs intend the result to be the removal of barriers or disadvantages to participating in energy efficiency opportunities, just as the CEC envisioned for the workforce alignment work.

Strategy 3.4 Zero-Net-Energy Retrofits

The Joint Utilities support Zero Net Energy (ZNE) goals provided by the California Public Utilities Commission and will continue to work on demonstrating the role of natural gas in the future of ZNE and the clean energy future. For example, SoCalGas is highly involved in the Proposition 39 Zero Net Energy Pilot program that is focused on retrofitting K-12 and

¹ Workforce Issues and Energy Efficiency: A Plan for California's Utilities, UC Berkeley Labor Center, 2014, as accessed at <http://laborcenter.berkeley.edu/workforce-issues-and-energy-efficiency-programs-a-plan-for-californias-utilities>.

community college buildings to ZNE. This pilot uses the Energy Use Intensity (EUI) metric to measure the designed performance of the buildings. With regards to Strategy 3.4, Zero-Net-Energy Retrofits, the Joint Utilities encourage the CEC to translate EUI to a source-based metric aligning with the Department of General Service (DGS) and Department of Energy's (DOE) source-based definitions of ZNE.

Strategy 4.2 Marketing, Education and Outreach

A. Targeted Data- and Research-Driven ME&O

The first paragraph (at page 59) starts with framing SW ME&O as being very successful with an aided awareness rate of 20%. On the other hand, the same study (*2013–2015 California Statewide Marketing, Education, and Outreach Program: Verification and Integrated Effectiveness Study, 2016*) finds that unaided (unprompted) awareness is at approximately 1%. Unaided awareness is a much more valuable way to determine effectiveness and impact. The claim that Energy Upgrade California (EUC) is “well established as a marketing platform for all demand side programs in California” is therefore a stretch, at best. This section assumes that the “Bear coming down from the flag” will still be part of the implementation beginning 2017. With the new implementer and the review/update to SW ME&O priorities and strategies, it is not clear if the Bear will be used going forward. Therefore the Joint Utilities recommend the following revision to the opening section:

“Energy Upgrade California (EUC) is a statewide marketing, education, and outreach (ME&O) initiative to engage Californians as partners in the state’s energy efficiency, demand-side management and clean energy efforts by becoming fully informed of the importance of energy efficiency as well as the availability of a myriad of for-cost, low and no-cost opportunities. . Among those opportunities are many local and regional programs designed to help consumers reduce and/or better manage their energy usage. Since EUC is in an optimal position to educate, motivate and encourage Californians to directly take action, statewide marketing, education and outreach should also serve as a lead generator; driving consumers to the various local and regional programs.

The Energy Upgrade California brand was initially established in 2011 as a program funded by the American Reinvestment and Recovery Act (ARRA) to provide efficiency upgrades to homes. Per Commission decision, in 2013 Energy Upgrade California expanded to become an energy-utility ratepayer-funded “umbrella brand,” with the intention of educating Californians on all of the actions they can take to manage their own energy usage. In January 2014, the transition became complete, and the campaign has been managed since then by the Center for Sustainable Energy (CSE).

In 2016, the CPUC has been working to take EUC to the next level. According to the CPUC, Statewide ME&O should play a significant role in meeting the state’s ambitious greenhouse gas reduction goals. To that end, the CPUC has selected a program administrator to continue implementing EUC. The CPUC will work with the program administrator and stakeholders to create an integrated five-year ME&O

roadmap that will outline long-term goals, metrics, and strategies, with consideration of what contribution ME&O will play in complying with Senate Bill (SB) 350. Inputs to the five-year roadmap include this Existing Building EEAP, the energy efficiency business plans, the marketing plan being developed for time of use rates, and other demand side proceedings. One-year action plans are being developed collaboratively and will provide detail to the five-year ME&O roadmap.”

The Joint Utilities recommend that the word “meeting” be replaced with “contributing to” in the following sentence in the last paragraph of the section, “A challenge for EUC is ~~meeting contributing to~~ SB 350’s goal of doubling efficiency.” EUC is not responsible for meeting SB 350 goals, rather it is a campaign to engage Californians and motivate them to take action. This involves rate education as well, a key initiative for the SW ME&O campaign, which is not directly related to achieving the EE goals of SB 350. Therefore it is more appropriate to use the word “contributing” rather than “meeting.”

B. Public awareness Campaign

The Draft Plan appears to recommend a separate initiative to communicate the “urgency of the role that energy efficiency plays in combatting climate change.” The Joint Utilities strongly recommend that the CEC actively engage with the development of the SW ME&O (EUC) 5-year Strategic Roadmap, to be filed February 28, 2017. This would result in a more efficient approach to statewide marketing as opposed to numerous separate campaigns and brands competing for the same customers with a nearly identical message.

Conclusion

The Joint Utilities appreciate the opportunity to provide comments on the Existing Buildings EEAP Update, and look forward to collaborating with the CEC on implementation of SB 350.

Sincerely,

____/s/ Tim Carmichael

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