

## DOCKETED

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CALIFORNIA ENERGY COMMISSION

# POU Target Setting Process

Staff Workshop: 2017 Integrated Energy Policy Report  
Docket No. 17-IEPR-06

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California Energy Commission, Arthur Rosenfeld Room  
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## Discussion Topics

- POU savings targets and how legislative direction has changed overtime
- POU 2018-2027 Electrical Potential Study
- Proposed adjustments to POU electricity savings projections for SB 350 purposes



## January 23, 2017 Joint Agency Workshop on 2030 Energy Efficiency Targets



STAFF PAPER

Framework for Establishing  
the Senate Bill 350 Energy  
Efficiency Savings Doubling  
Targets

Concluded that all: utility and non-utility  
load servings entities should do more to

*“achieve a cumulative doubling of  
statewide energy efficiency savings in  
electricity and natural gas final end uses  
of retail customers by January 1, 2030”*





## POU Electricity Savings Targets Background & Legislative Direction

- **AB 2021 (2006)** - states that all load-serving entities procure all cost-effective energy efficiency measures so that the state can meet the goal of reducing total forecasted electrical consumption by 10 percent over the next 10 years.
- **AB 2227 (2013)** - amended the POU target cycle to align more closely with the IEPR timeline. Consolidates reporting requirements into a single section of the Public Utilities Code, making compliance easier for POUs.



## Opportunities for POU Contribution

Public Resources Code §25310 (d) non-restrictively identified eleven implementation mechanisms to achieve statewide doubling, including

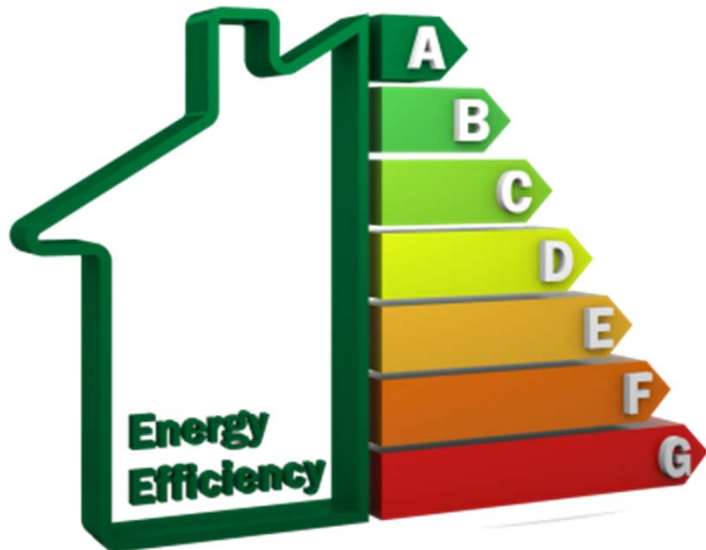
*“Programs of local publicly owned electric utilities that provide financial incentives, rebates, technical assistance, and support to their customers to increase energy efficiency pursuant to Section 385 of the Public Utilities Code.”*



## POU Electricity Savings Program Coverage

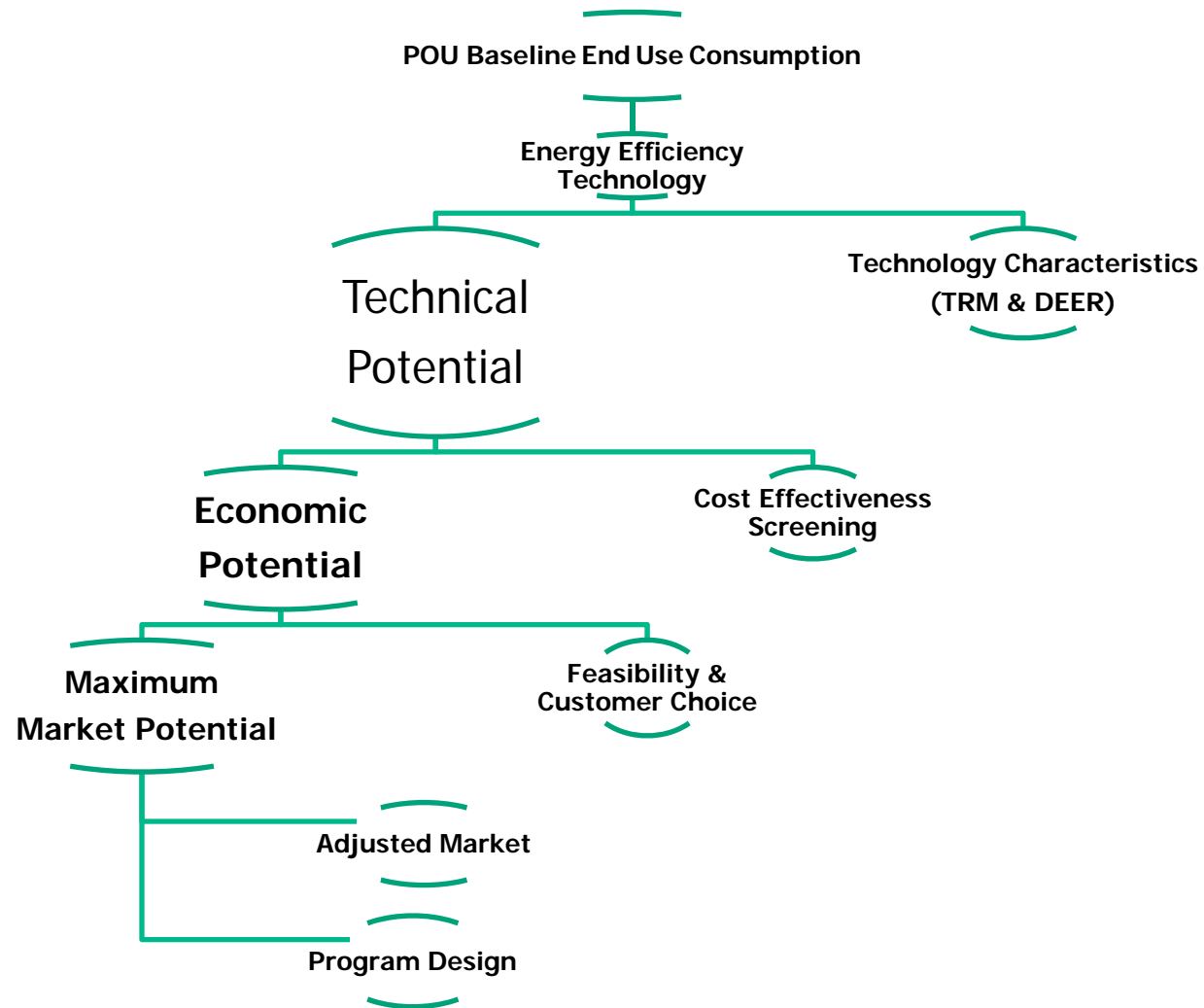
**Similar to IOU incentives, POU customers receive**

- Cash rebates for efficient products
- Home/building energy upgrades
- Customized loans and financing
- Educational and awareness advice





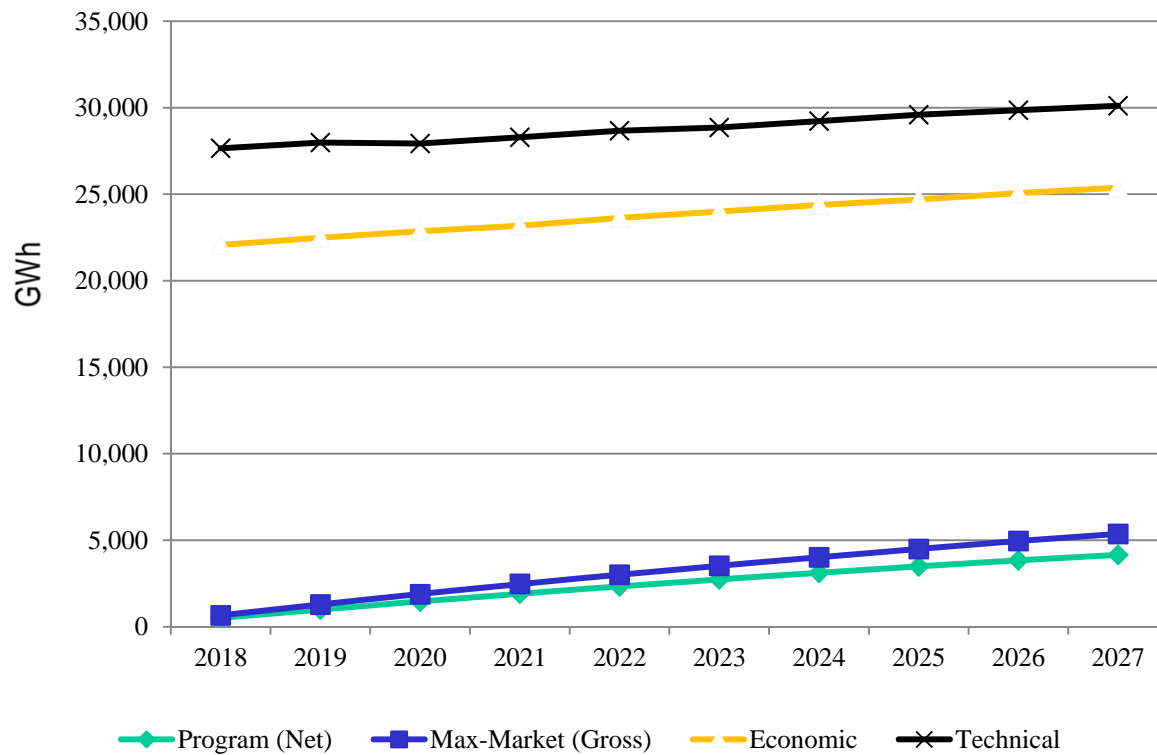
# Electricity Resource Assessment Model (ELRAM)





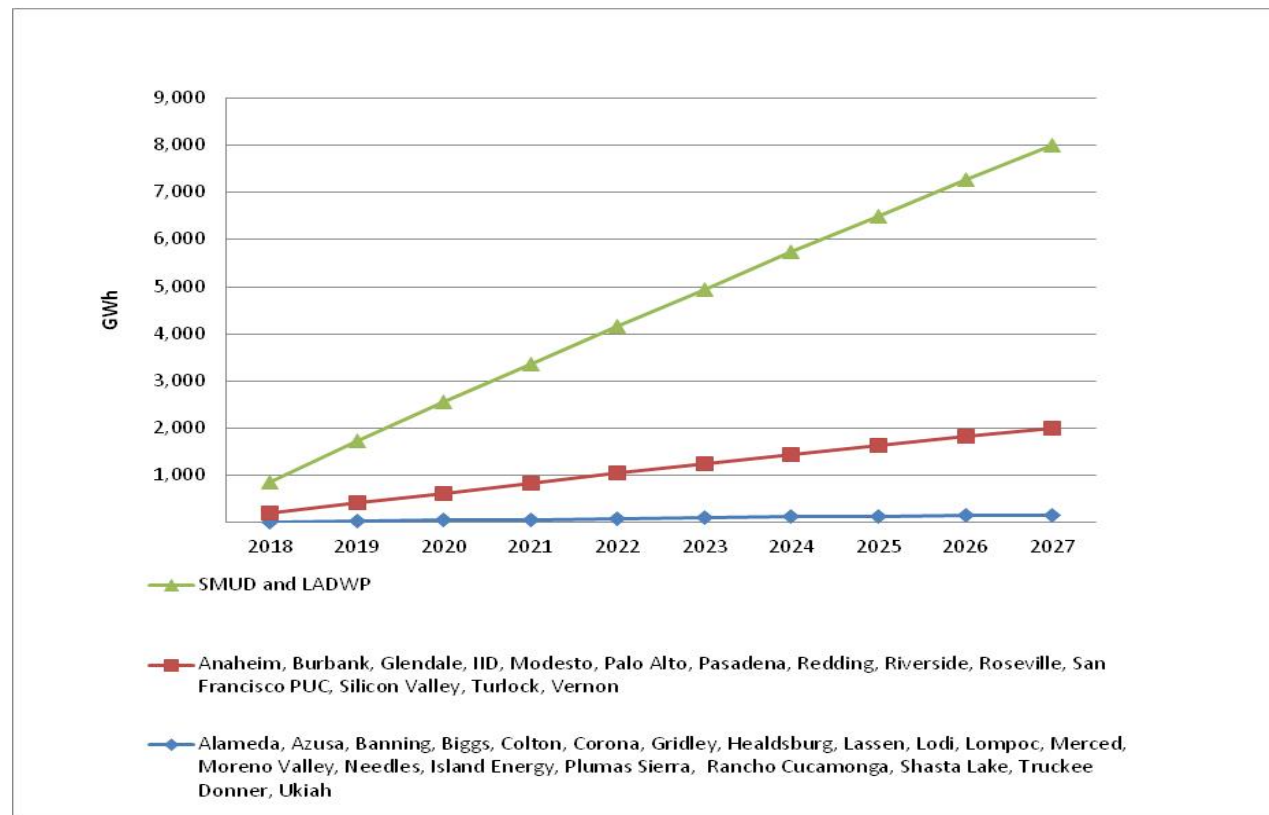


## POU Ten-year Electricity Savings Projections based on ELRAM





# POU Ten-year Cumulative Targets



Source: Energy Efficiency in California's Public Power Sector Status Reports, Appendix B  
<http://www.ncpa.com/policy/reports/energy-efficiency/>



## Staff Proposes Following Adjustments

- Consider Code and Standard savings as non-utility
- Shift from “gross” to “net” basis
- Savings years are **2015 through 2029**



## C&S Savings

- ELRAM C&S projections increase targets
  - LADWP, SMUD, Anaheim, Glendale Imperial, Turlock, Vernon, Azusa, Colton, and Moreno Valley
- POU attributable savings from C&S advocacy work are not reported
- CEC staff proposes to count C&S as part of non-utility targets



## Net Savings vs. Gross Savings

### Attribution Theory

- Free-Ridership
- Spillover



Need Net-to-Gross Factor for  
LADWP, Anaheim, and Burbank



## Savings Years: 2015-2029

- POU's provided savings projections starting in 2018 and ending in 2027
  - SB 350 uses 2015 as the “start year” for doubling
- POU reported savings for 2015 and 2016 are available
- POU savings estimates for 2017 are not available in the same format: What are the options?



## Extrapolation to 2030

- SB 350 requires doubling to occur by January 1, 2030
- Staff proposes a linear extension of the last two years (2025-2027) to compute savings out through the end of 2029
  - If savings are slowing in later years, then less additional cumulative savings will be added in these final years



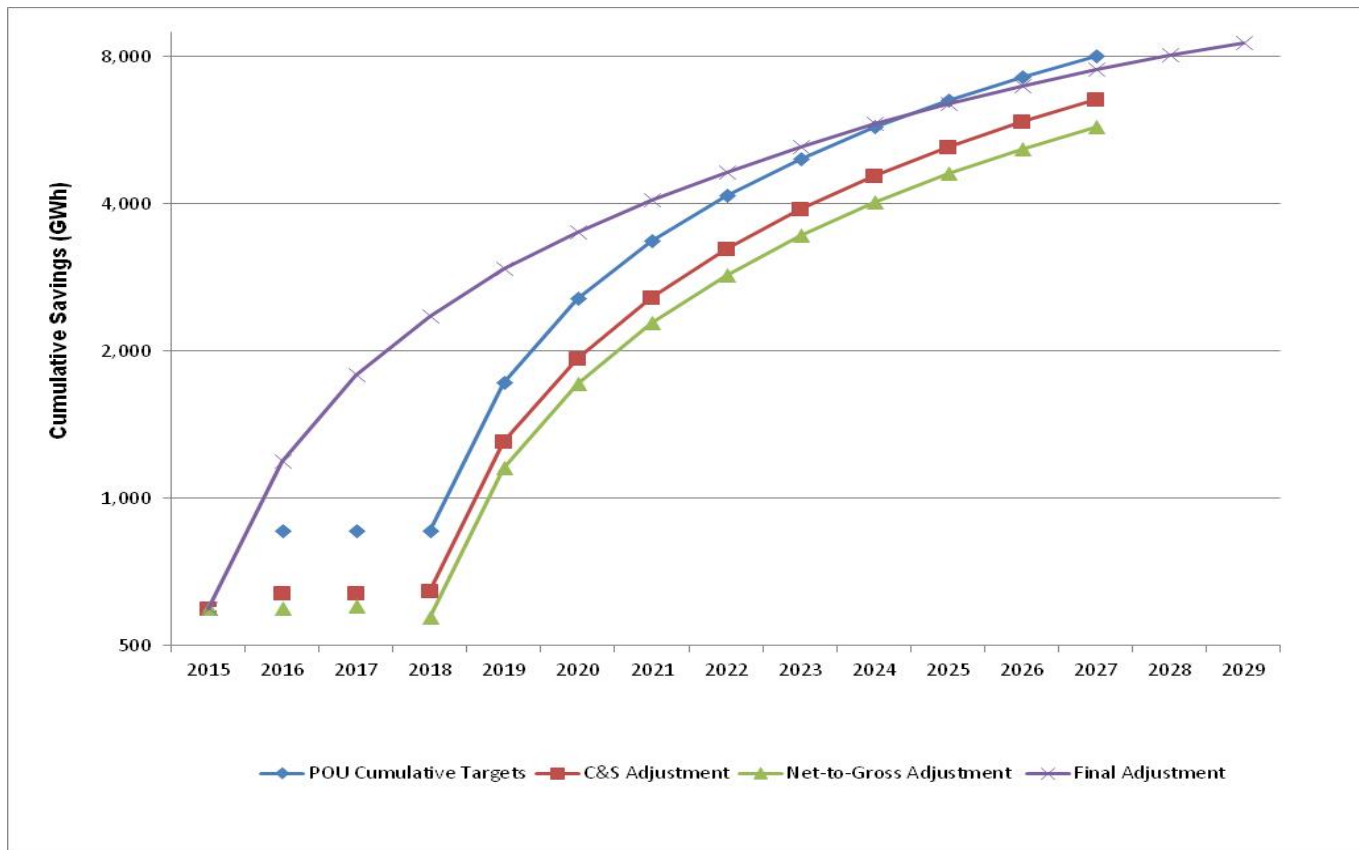
# Adjustments to POU Targets

	Description of POU Targets Submitted	Adjusted For Net	C&S Adjusted	Added Years
<b>Los Angeles</b>	Market Gross+C&S	✓ .	✓ .	✓ .
<b>Sacramento</b>	Market Gross+C&S	✓ .	✓ .	✓ .
<b>Imperial</b>	Market Net+C&S		✓ .	✓ .
<b>Anaheim</b>	Market Gross+C&S	✓ .		✓ .
<b>Riverside</b>	Market Gross: 1% Avg. Annual	✓ .		✓ .
<b>Turlock</b>	Market Net+C&S		✓ .	✓ .
<b>Glendale</b>	Market Net+C&S		✓ .	✓ .
<b>Pasadena</b>	Market Gross:1.25% Avg.Annual	✓ .		✓ .
<b>Santa Clara</b>	Market Net			✓ .
<b>Burbank</b>	Market Gross	✓ .		✓ .
<b>Modesto</b>	Market Net			✓ .
<b>Roseville</b>	Market Gross	✓ .		✓ .
<b>Palo Alto</b>	Market Net			✓ .
<b>Vernon</b>	Market Net+C&S		✓ .	✓ .
<b>Redding</b>	Market Gross	✓ .		✓ .
<b>San Francisco</b>	Market Net			✓ .



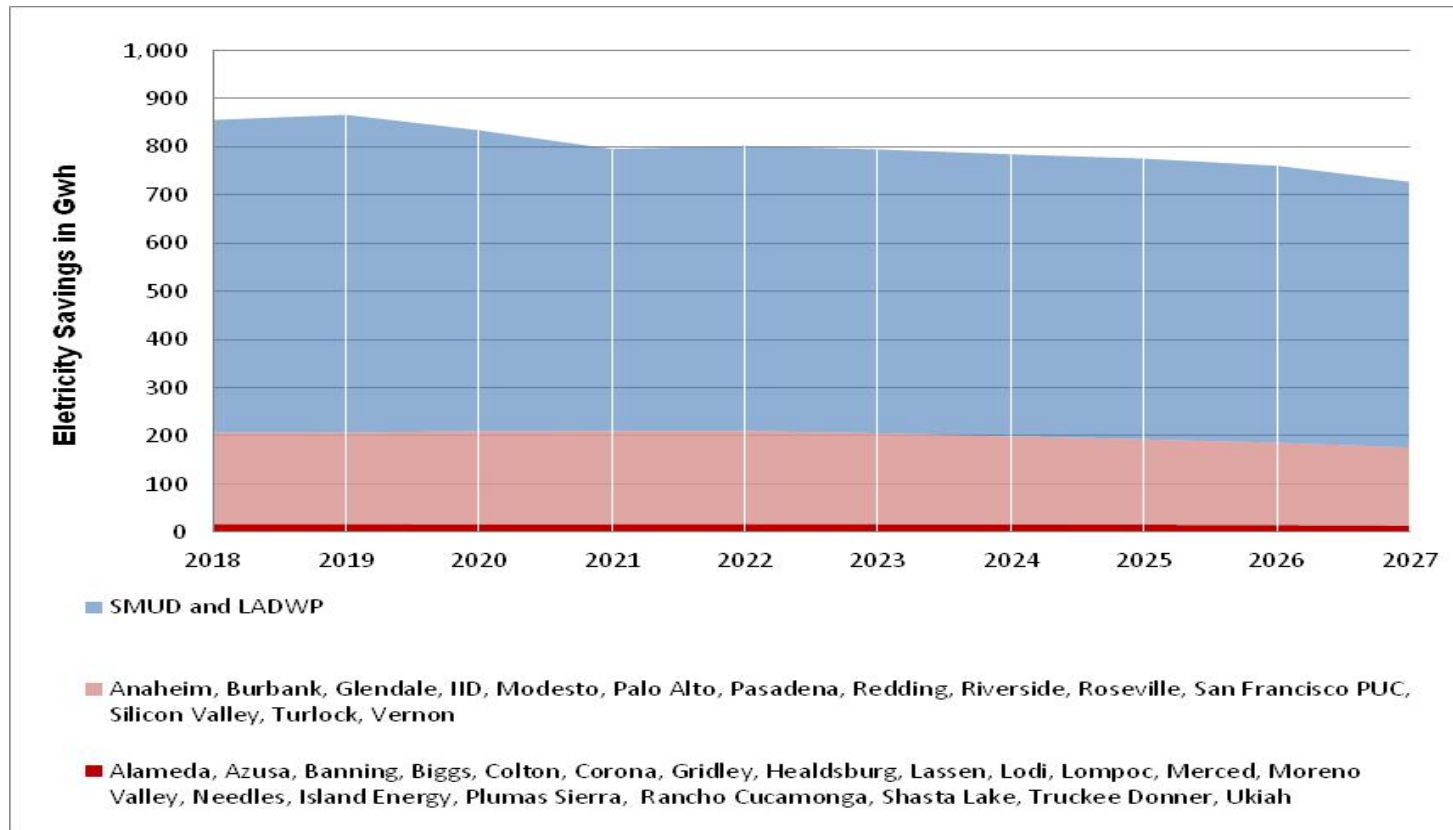


# Adjustments to POU Cumulative Targets





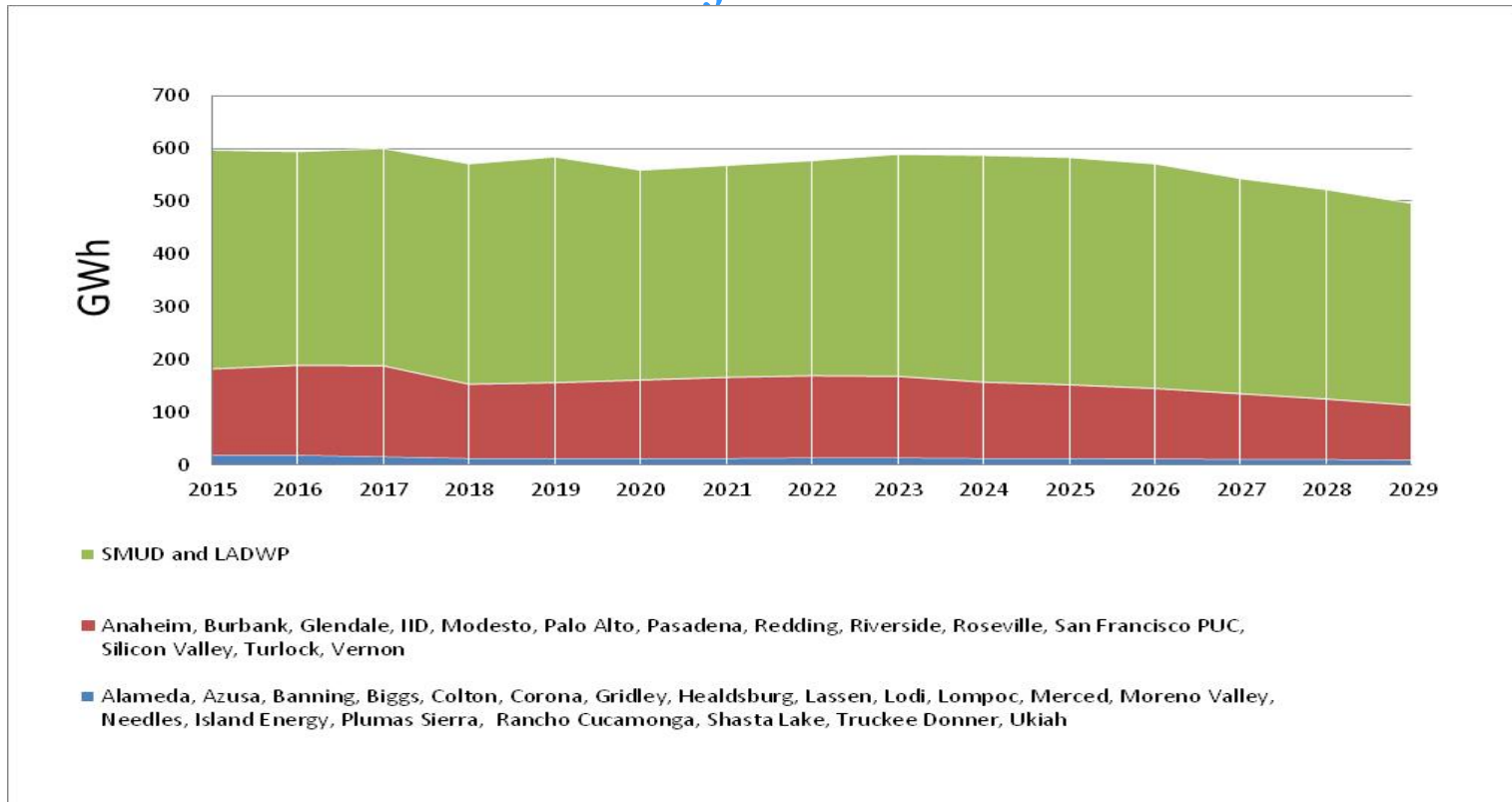
## POU Annual Incremental Electricity Targets



Source: Energy Efficiency in California's Public Power Sector Status Reports, Appendix B  
<http://www.ncpa.com/policy/reports/energy-efficiency/>



## POU Annual Incremental Targets with Adjustments



Source: Energy Commission Staff



## Preparing for the Next Target Setting

POUs will be revising their savings targets in four years

- Use “existing baseline” or “to code” baseline as the benchmark for POU program savings
- Attributable savings from POU advocacy in Title 24 Building Standards
- Quantifying the impact of local REACH codes



## Conclusions

Continue collaborating with POUs to refine projections for use in SB 350 EE context

