

DOCKETED

Docket Number:	18-IEPR-07
Project Title:	Doubling Energy Efficiency Savings
TN #:	223907
Document Title:	Joint POU Comments on Draft Outline 2019 Statewide EE Action Plan
Description:	N/A
Filer:	System
Organization:	Jonathan Changus/NCPA
Submitter Role:	Public Agency
Submission Date:	6/21/2018 5:09:56 PM
Docketed Date:	6/22/2018

Comment Received From: Jonathan Changus
Submitted On: 6/21/2018
Docket Number: 18-IEPR-07

Joint POU Comments on Draft Outline 2019 Statewide EE Action Plan

Additional submitted attachment is included below.

BEFORE THE CALIFORNIA ENERGY COMMISSION

In the Matter of:

***2018 Integrated Energy Policy Report
(2018 IEPR Update)***

Docket No. 18-IEPR-07

***Draft Outline 2019 Statewide Energy
Efficiency Savings Action Plan***

**JOINT PUBLICLY OWNED UTILITIES’ COMMENTS ON
THE DRAFT OUTLINE 2019 STATEWIDE
ENERGY EFFICIENCY SAVINGS ACTION PLAN**

The Northern California Power Agency (“NCPA”), the Southern California Public Power Authority (“SCPPA”), and the California Municipal Utilities Association (“CMUA”) (collectively “Joint POU”) appreciate the opportunity to provide these comments to the California Energy Commission (“Commission”) on the *Draft Outline 2019 Statewide Energy Efficiency Action Plan* (“outline”), which was discussed during IEPR Commissioner Workshop on Doubling Energy Efficiency Savings held on June 7, 2018.

In general, the Joint POU support the proposal to combine content, recommendations, and savings estimates from the Existing Buildings Energy Efficiency Action Plan, Senate Bill 350 Doubling Energy Efficiency by 2030 report, the Senate Bill 350 Low-Income Barriers report, and the Clean Energy Low-Income Multifamily Buildings Action Plan. The Joint POU have long advocated for improvement to Commission report processes and requirements; as such, we commend the Commission for bringing forth this proposal. Combining the myriad of reports eliminates duplicative efforts and consolidates overlapping issues into a single forum.

I. SECTOR CHARACTERIZATION

Chapter 1 of the outline includes a section on “Sector Characterization.” In *California’s Energy Efficiency in Existing Buildings Action Plan* (EBEE Action Plan), the Commission

devoted a similarly titled section in the introductory chapter to Building Sectors and Market Characterization.¹ The EBEE Action Plan section provided a succinct overview of the opportunities and challenges in the different building sectors to achieve deeper energy efficiency savings. Chapter 3 of *Low-Income Barriers Study, Part A*,² went further in exploring the structural barriers inhibiting access for low-income customers to energy efficiency; in particular, the Commission aptly noted that overcoming the structural barriers “requires market segmentation to address the differing needs and circumstances of renters, owner-occupants, and building owners.”

The Joint POUs support building off of these previous efforts to further explore both building sector and customer segment characteristics in the drafting of the *2019 Statewide Energy Efficiency Action Plan*. Successfully unlocking the deeper energy savings necessary to achieve the statewide doubling goal by 2030 is predicated on developing strategies to overcome the disparate barriers besetting customers and other key actors across building and market sectors. The Joint POUs recommend convening a separate IEPR workshop to allow representatives from across building and market sectors to share their perspectives on the support/program(s) that would be most helpful in spurring their investment in energy efficiency measures.

II. FUEL SUBSTITUTION

The energy savings calculations for fuel substitution measures differ from traditional electric energy efficiency measures. Consistent with the Commission’s approach for converting

¹ California Energy Commission, September 2015, *California’s Existing Building Energy Efficiency Action Plan*, Publication Number CEC-400-2015-013-F.

² California Energy Commission, December 2016, *Low-Income Barriers Study, Part A: Overcoming Barriers to Energy Efficiency and Renewables for Low-income customers and Small Business Contracting Opportunities in Disadvantaged Communities*, Publication Number: CEC-300-2016-009-CMF.

the combined electric and natural gas savings potential into a common unit, Quadrillion (“Quad”) British Thermal Units (“BTUs”), to create the 2030 statewide doubling goal, the Joint POU’s recommend reporting energy savings from fuel substitution measures in a denomination of BTUs. To this end, publicly owned utilities will distinguish between fuel substitution and traditional electric energy efficiency measures, and report energy savings in a denomination of BTUs, as part of the annual report submitted the Commission pursuant to Section 9505 of the Public Utilities Code.

The Joint POU’s define “fuel substitution” measures more broadly than the Commission did in *Senate Bill 350: Doubling Energy Efficiency Savings by 2030*.³ The Joint POU’s include measures to replace natural gas, diesel, propane, heating oil, and wood-burning end-uses with electric alternatives in the universe of fuel substitution measures; the Commission definition only includes replacement of natural gas with electricity. The Joint POU’s inclusive definition of fuel substitution more closely aligns with the state’s broader climate change policies. In addition, customers in rural, lower-income communities where propane and burning wood are the primary heating fuel may accrue both energy and non-energy benefits when they switch to electric alternatives. The state sends an unconstructive message by limiting fuel substitution to only natural gas applications and the Joint POU’s encourage the Commission to update the definition of fuel substitution for the purposes of tracking progress towards doubling energy efficiency savings by 2030 to include other types of energy.

³ California Energy Commission, October 2017, *Senate Bill 350: Doubling Energy Efficiency Savings by 2030*, Publication Number: CEC-400-2017-010-CMF.

The Joint POUs appreciate the Commission's consideration of these comments, and we look forward to working further with the Commission as the *2019 Statewide Energy Efficiency Action Plan* is developed.

Respectfully submitted,

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