

DOCKETED

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Decision Adopting Energy Efficiency Goals for 2020-2030

IEPR Workshop August 27th, 2019





Agenda

- **Potential and Goals (P&G) Methodology**
- **2017 Goals vs. 2019 Goals**
- **Summary of Decision Adopting Goals**





P&G Study Methodology- What's Included

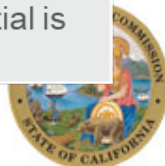
- **Program types:**
 - Measure-level and custom approaches
 - Behavior, retro-commissioning, operational savings (BROs)
 - Codes & standards (C&S) advocacy
- **Sectors:**
 - Residential, Commercial, Industrial, Agriculture, Mining, Streetlighting
 - Low income (new method for this study, not included in goals)
- **Potential Types:** Technical, economic, and market (for various scenarios)
- **Forecast Timeframe:** 2020-2030
- **Fuels:** Electric, natural gas (no fuel substitution)
- Not included: EE-DR, Fuel Substitution, REN/CCA disaggregation, and Disadvantaged Communities





Updates and Directional Impact

Category	Update Relative to Previous Study	Directional Impact
Baseline policy	DEER Resolution E-4952 deemed Non-Res lighting standard practice baseline to be LED; similar adjustment made to Res LEDs per staff guidance	↓ Significantly cuts lighting savings removing approximately 225 GWh of savings relative to the previous PG study
BROs measures	Updated data and one measures added relative to P&G study (Online Audits)	↑ Increase savings specifically from HERs and SEM.
DEER/ Workpapers	DEER 2020 is being used (previously DEER 2017)	↓ Majority of weather sensitive measures were updated decreasing savings thus decreasing potential.
Cost Effectiveness	2019 avoided costs being used with approved GHG adder	↓ Slight decrease in avoided costs due to updates to GHG adder, decreases C-E results in the 2020-2030 range
Cost Effectiveness	TRC threshold varies by scenario whereas previous study did not	↓ Scenarios offer more stringent interpretations of cost effectiveness threshold
Rebate Program measures	New measures relative to P&G study: Smart Connected Power Strips, Connected LEDs	↑ Increase Res savings potential slightly
Custom Programs	Using two more years of program data that wasn't previously available (2015-2017)	↓ Custom programs show a downward trend over time, previously we saw a flat trend. Potential is decreasing over time.





Scenarios

Lever	Reference	Alternate 1	Alternate 2	Alternate 3	Alternate 4	Previous Study (Goals Scenario)
Cost-Effectiveness (C-E) Test	TRC	TRC	TRC	TRC	TRC	TRC <i>(2016 Avoided Costs + IOU Proposed GHG Adder)</i>
C-E Measure Screening Threshold	1.0 for all measures	0.85 for all measures	1.25 for all measures	1.0 for all measures	0.85 for all measures	0.85 for all measures
Incentive Levels	Capped at 50%	Capped at 50%	Capped at 50%	Capped at 50%	Capped at 75%	Capped at 50%
Marketing & Outreach	Default calibrated value	Default calibrated value	Default calibrated value	Increased marketing strength	Increased marketing strength	Default calibrated value
BROs Program Assumptions	Reference	Reference	Reference	Aggressive	Aggressive	Reference
Financing Programs	No modeled impacts	No modeled impacts	No modeled impacts	No modeled impacts	IOU financing programs broadly available to Res and Com customers	No modeled impacts

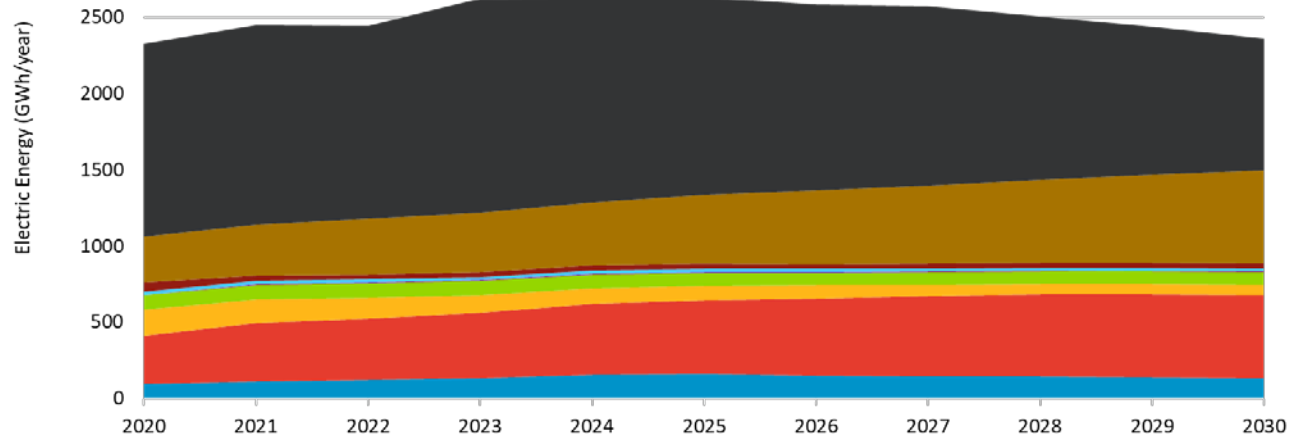




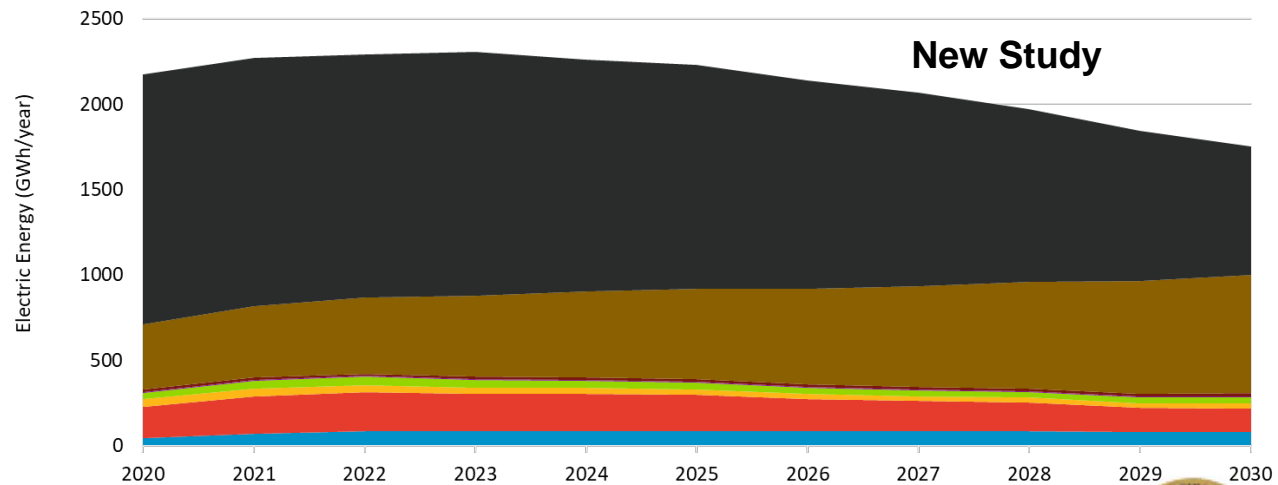
Market Potential- Electric

Previous Study

- Graphs compare the previous study goals vs. the new study's most comparable scenario
- "Total Stack" is relatively the same
- Savings from rebate programs dropped 36% (primarily driven by loss of lighting savings)
- Savings from C&S increased 16%
- 8% Net Decrease in total goals



New Study



■ Res ■ Com ■ Ind ■ Ag ■ Min ■ Stl ■ Low Income ■ BROs ■ C&S*

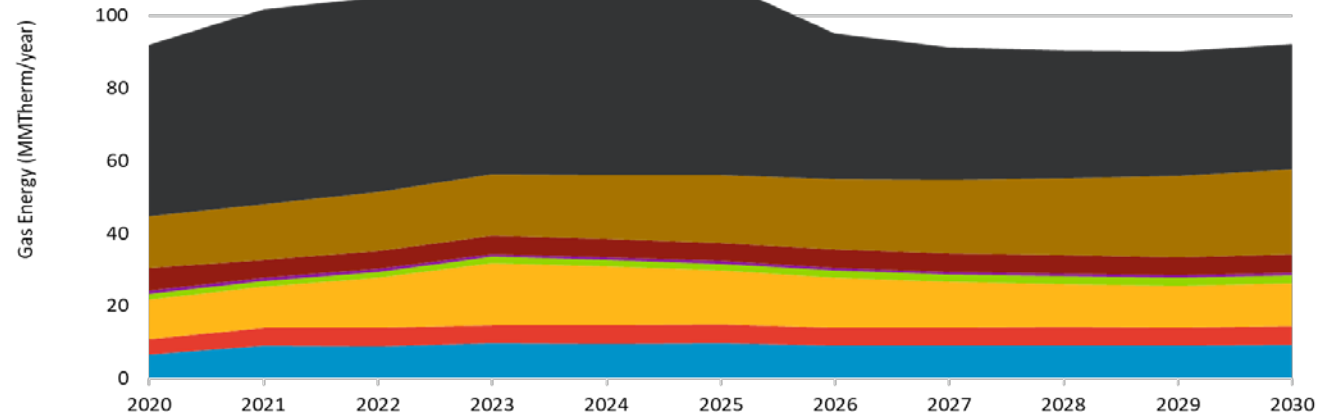




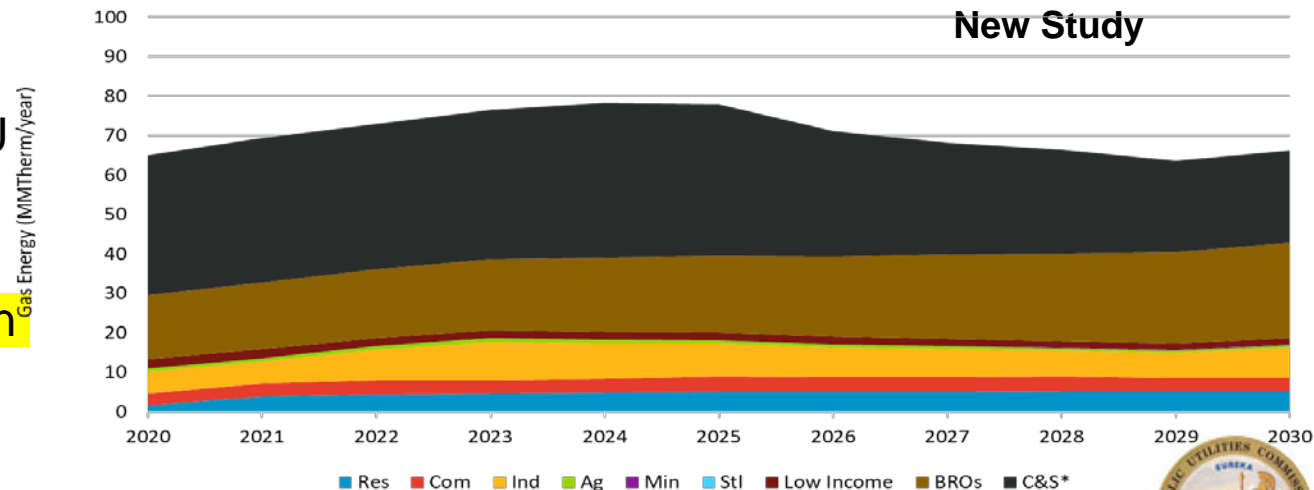
Market Potential- Gas

Previous Study

- “Total Stack” is lower than previous goals
- Savings from Res Rebate programs significantly diminished
- C&S potential decreased due to updated data on IOU claims and future Title 24
- **29% Net Decrease in Goals**



New Study

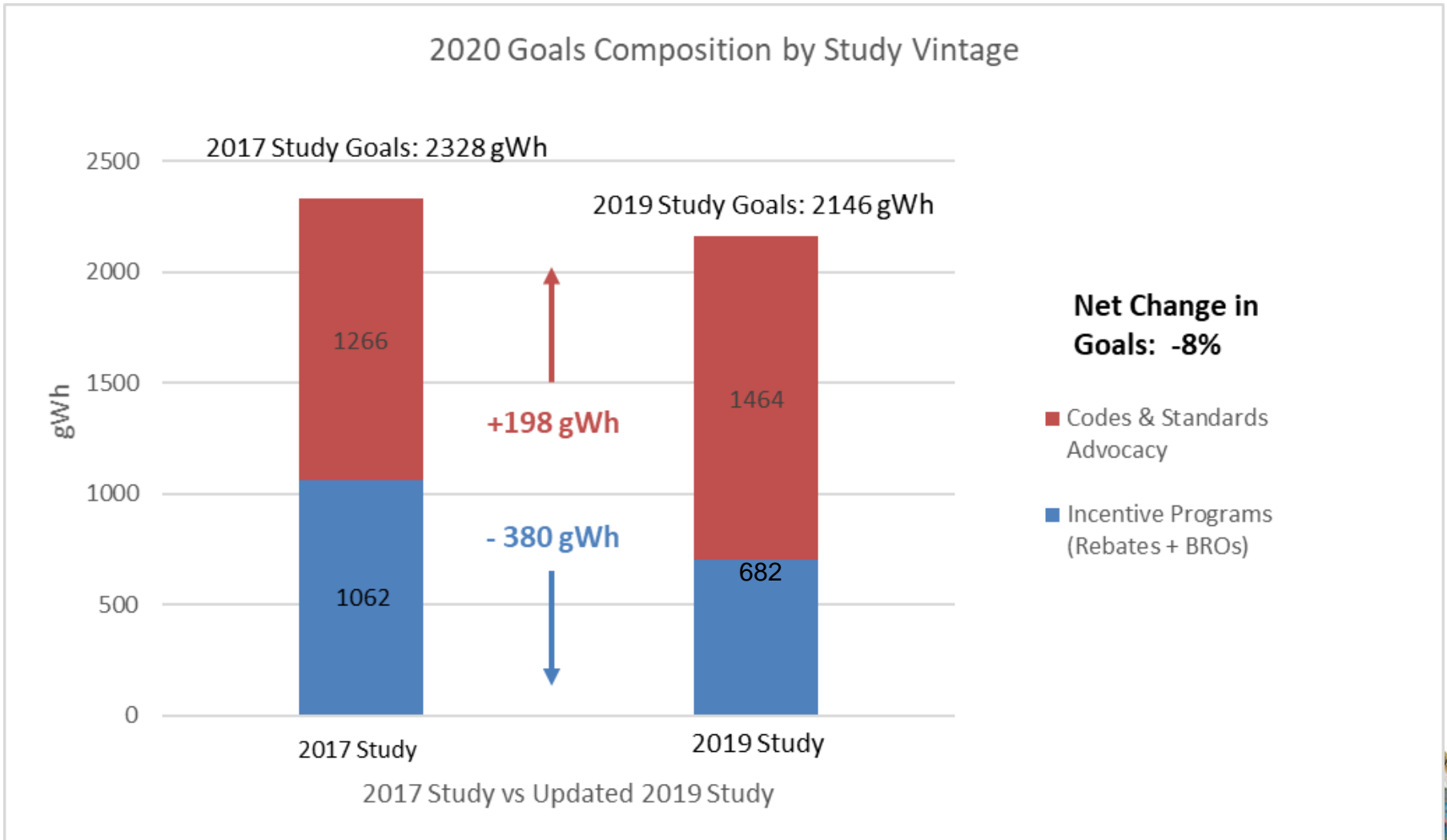


Res Com Ind Ag Min Stl Low Income BROs C&S*



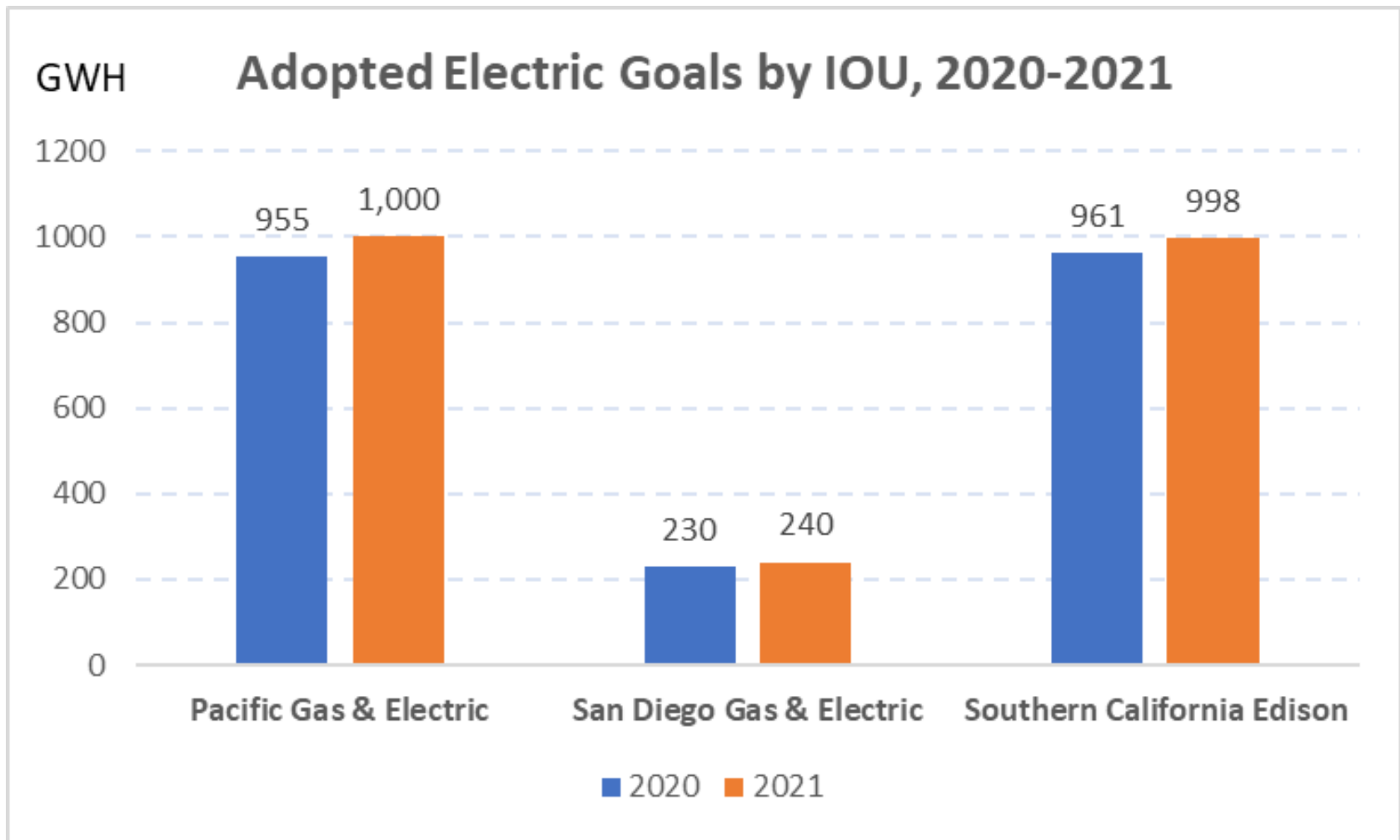


Comparison of C&S and Incentive Program Goals



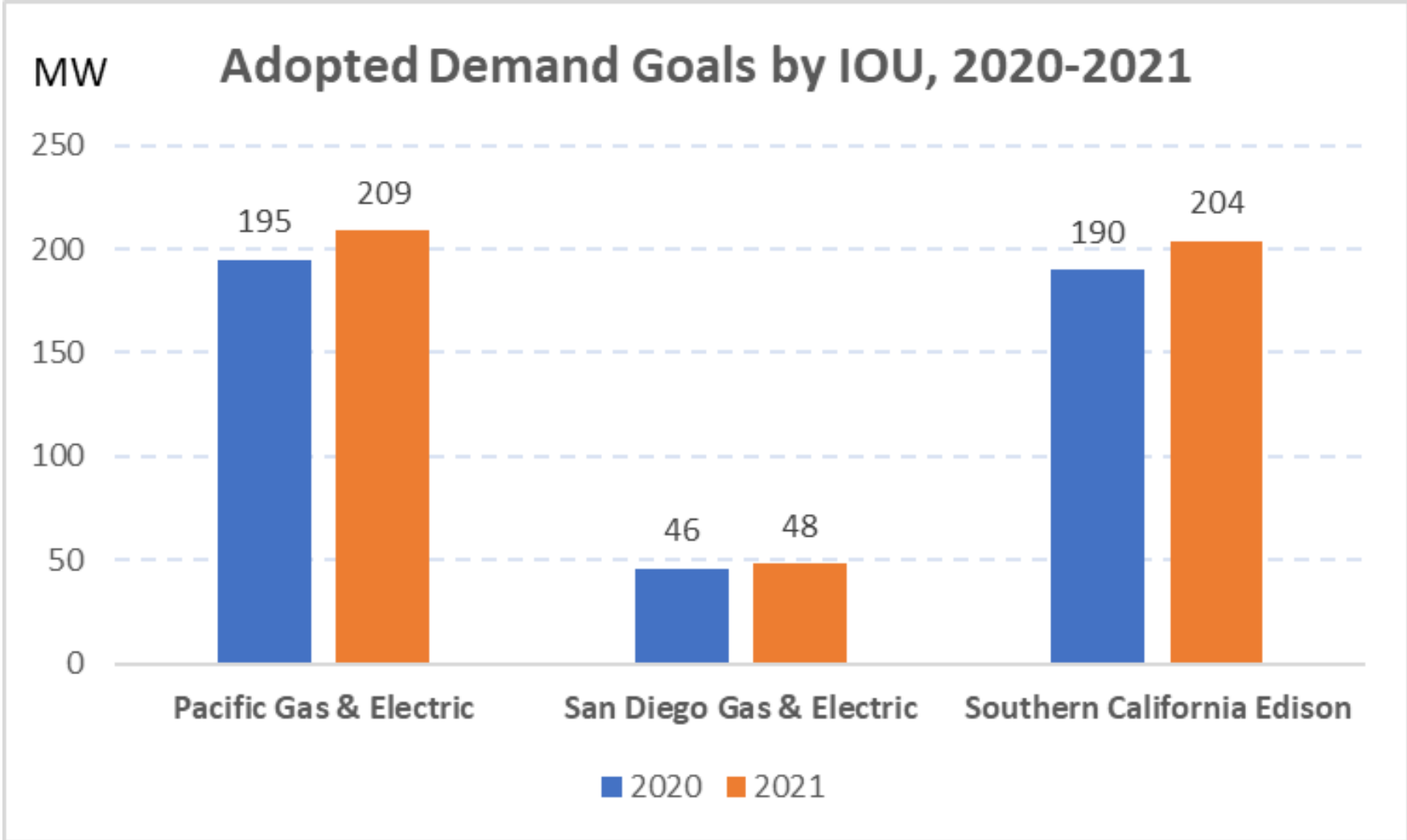


2020 Electric Goal = 2,126 GWH



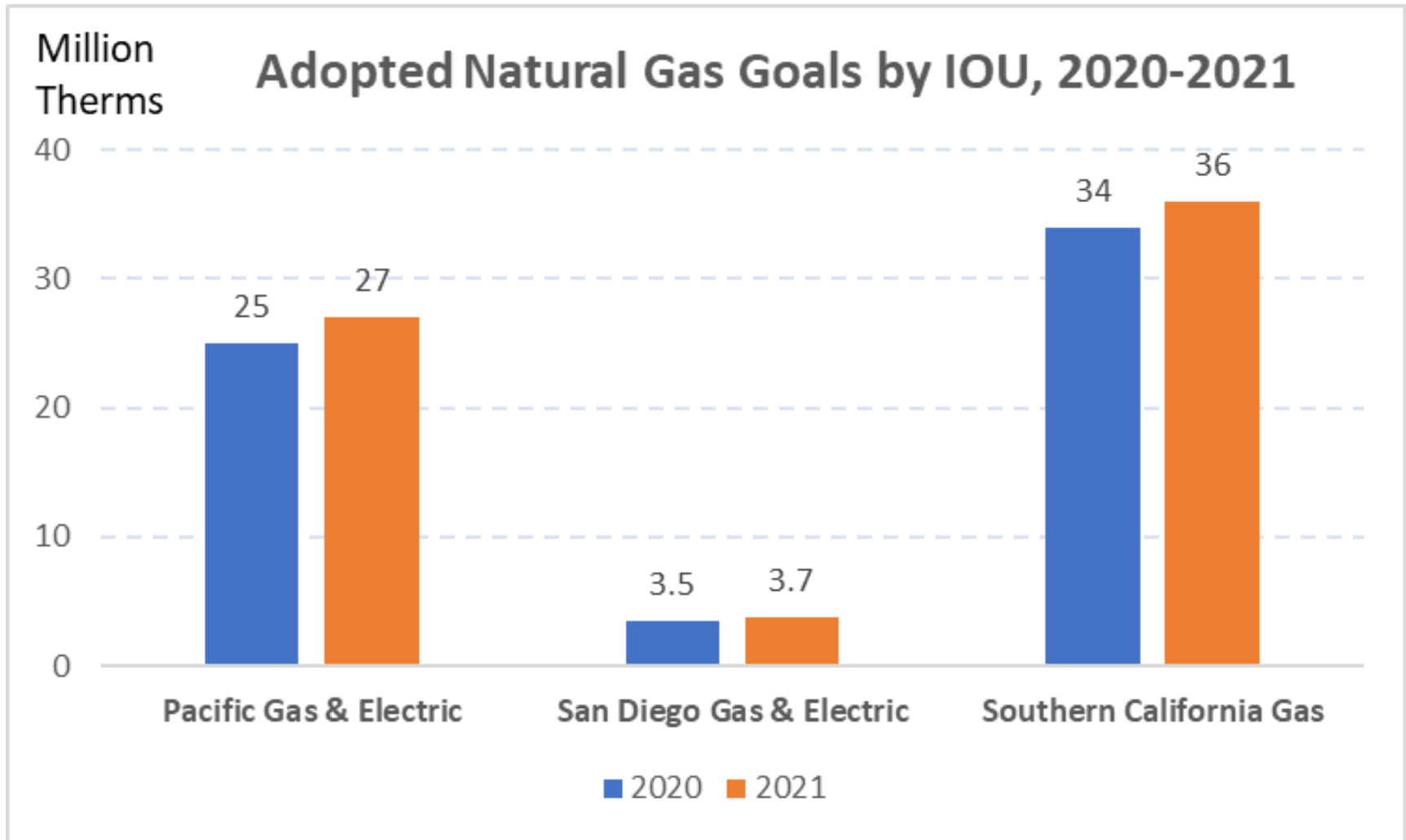


2020 Demand Goal = 431 MW





2020 Natural Gas Goal = 63 Million therms





Other Topics in the Decision

- **The P&G Study developed low income potential, but the decision does not set low income goals**
- **Suspends requirement to perform impact evaluations on home energy reports for 3 years**
- **Provides guidance for future annual budget advice letter (ABAL) filings**





Questions?

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