

**DOCKETED**

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<b>Project Title:</b>	Replacement Pool Pump Motors
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## **Attachment to Standard Form 399 – Replacement Pool Pump Motors**

### **Economic Impact Statement**

#### **Part A. Item 4. Enter the number of businesses that will be created: 0**

**eliminated: 0.** The initial and ongoing costs to California small businesses are the same as the costs for a typical business. Staff used the small business definition that a business is independently owned and operated; not dominant in its field of operation; and has fewer than 100 employees. Small businesses that will be affected are those that sell RDPPPM such as pool supply companies and small retailers. Other small businesses would be the operators of pools as part of their businesses such as the owners of motels or apartment buildings. CEC staff assumes that RDPPPM are typically purchased by individuals, businesses or small businesses that own swimming pools. Businesses and small businesses that purchase RDPPPM would pay an additional \$389 to \$424 per motor. The businesses would incur this additional cost once every 7 years, the design life of the product, but would see the initial increased cost repaid in less than two years due to electricity savings on utility bills.

#### **Part B. Item 1. What are the total statewide dollar costs that businesses and individuals may incur to comply with this regulation over its lifetime?**

The \$112 million dollars per year cost to comply is based upon an estimated incremental cost of \$11.2 million dollars per year multiplied by the 10 years (2020-2029) that were examined by staff. Staff found residential costs of \$98.7 million over 10 years and \$13.1 million per year for commercial costs. The annual incremental costs were calculated by using estimates for incremental costs per motor multiplied by the estimated shipments.

The initial costs shown in a., b., and c. represent the incremental costs of the compliant motor over the non-compliant motor. Staff made these assumptions by reviewing information from the U.S. Department of Energy (DOE) Technical Support Document on Dedicated-Purpose Pool Pump Motors. The U.S. DOE document provides estimates of incremental costs for pool pump motors with improved energy efficiency. The range of values presented reflect several scenarios studied by staff for both small and large pool pump motors.

### **Fiscal Impact Statement**

#### **Part A. Items 1-5**

The California Department of Public Health surveyed various stakeholder groups to estimate the number of public swimming pools in California. The information is presented in the Initial Statement of Reasons for a rulemaking the Department performed in 2013. The survey showed an estimate of 50,000 public pools.

CEC staff estimates that a public pool pump will need replacement every 7.3 years. The CEC estimates that a public pool pump motor will be replaced 25 percent of the time and the entire pump will be replaced 75 percent of the time.

Estimate of Yearly Shipments

1,712 motors per year = 50,000 pool pumps x 25% replace motor only / 7.3 years

Estimate of Annual Cost to Local and State Government

\$726,000 per year = 1,712 motors per year x \$424 incremental cost for compliant motor

**Part A. Item 6. Other. Explain.** Cities and counties own pool pumps that will be repaired with RDPPPM. Staff does not have an estimate for the annual quantity of RDPPPM cities and counties will purchase. The costs and benefits for each RDPPPM will be similar to the commercial savings estimates in the staff report. Local governments would recover half the increased incremental cost in year 1 and break even in year 2. Years 3-7 would be net utility bill savings to local governments.

**Part B. Item 4. Other. Explain.** The assumptions below are used to estimate fiscal impacts to the state.

The CEC collects \$0.0003 per kWh or \$300 per GWh. The pool pump rule making will reduce consumption of electricity and impact CEC funding in year 1 and year 2. The state also owns pool pumps that will be repaired with RDPPPM. Staff does not have an estimate for the annual quantity of RDPPPM the state will purchase. The costs and benefits for each RDPPPM will be similar to the commercial savings estimates in the staff report. State governmental agencies operating pools would recover half the increased incremental cost in year 1 and break even in year 2. Years 3-7 would be net utility bill savings to those state government agencies operating pools.

ERPA Fund - CEC

Year	Energy Savings (GWh/yr)	ERPA Funding Change (\$)
1	62	- \$18,600
2	124	- \$37,200

ENERGY RESOURCES PROGRAM ACCOUNT (ERPA) - State law directs California electric utility companies to collect a state energy surcharge per kilowatt-hour of electricity consumed by a customer. These funds are used for operations of the CEC. As of January 1, 2004, the surcharge is set at \$0.0003/kWh.