

**Comments of the Natural Resources Defense Council (NRDC) on the Electricity
Demand Forecast and Resource Plan Data Request for the 2009 IEPR**

Docket Numbers:
09-IEP-1B – Supply
09-IEP-1C - Demand

November 11, 2008

Submitted by:
Lara Ettenson and Noah Long

DOCKET

09-IEP-1B

DATE NOV 11 2008

RECD. NOV 12 2008

I. Introduction and Summary

The Natural Resources Defense Council (NRDC) appreciates the opportunity to offer these comments on the draft forms and instructions for electricity resource plans and demand forecast data for the *2009 Integrated Energy Policy Report* (IEPR). NRDC is a nonprofit membership organization with a long-standing interest in minimizing the societal costs of the reliable energy services that Californians demand. We focus on representing our more than 124,000 California members' interest in receiving affordable energy services and reducing the environmental impact of California's energy consumption.

NRDC strongly believes that energy efficiency can be used as a reliable supply-side procurement resource to reduce the need for additional conventional sources of energy. NRDC also understands the difficult task of delineating energy efficiency in the demand forecast, but recognizes the importance of such delineation to ensure that (1) all agencies are using the forecast consistently, (2) California has an accurate business-as-usual greenhouse gas (GHG) forecast to which reductions achieved under Assembly Bill (AB 32) can be compared, and (3) all utilities have an accurate forecast for procurement planning purposes. As such, NRDC offers the following suggestions on the proposed forms and instructions in advance of the upcoming November 13, 2008 CEC workshop.

II. Resource Planning Data

- NRDC suggests that the resource planning data also include the type of resource fuel and technology in order to develop more accurate greenhouse gas (GHG) forecasts.
- NRDC recommends that the CEC request an explanation of how Line 3 on page 20 captures all cost-effective energy efficiency¹ as required by law.² If the uncommitted energy efficiency (EE) entered on Line 3 captures only a portion of the cost-effective EE available in the utility's service territory, then that utility should be required to include an additional section under "Existing and Planned Resources" (p.23) to address the supplemental EE potential available as a supply-side energy resource. Each utility submitting these forms to the CEC should address how they will achieve all cost-effective EE pursuant to the state's loading order *before* considering commitment of procurement funds for alternative supply options. This consideration should be clearly indicated in both the investor-owned and publicly-owned utility resource plans.
- NRDC suggests that page 20 of the "Forms and Instructions for Submitting Electricity Resource Plans" be consistent with the "Draft Demand Forecast Forms and Instructions for the 2009 Integrated Energy Policy Report" that notes "For the IOUs, committed conservation programs are those programs included in the 2009-2011 program plans anticipated to be approved in the CPUC Energy Efficiency Rulemaking Proceeding (R06-04-010) or in other CPUC decisions." (p.5)
- NRDC suggests that the CEC collect comparable information for energy efficiency as requested for renewable energy Lines 26-h and 28 on page 43 (Line 26-h requests the proportion of energy provided to the end-use customers attributable to renewable energy and Line 28 requests renewable energy sales as a percent of retail sales).
- NRDC recommends checking the line references on page 19. The draft report states "Other adjustments to the Total Forecast Peak Load are discussed below, including uncommitted programs for energy efficiency (line 6) and all uncommitted programs for demand response (line 7)." However, the subsequent directions for uncommitted programs for energy efficiency and demand response are assigned to line 3 and 4 respectively.

¹ All cost-effective energy efficiency includes "100 percent of economic potential, to be achieved by a combination of state and local standards, utility programs, and other strategies," 2007 IEPR Summary - CEC-100-2007-008-CMF-ES, December 5, 2007, p.27.

² Senate Bill 1037 (Kehoe) states "The electrical corporation will first meet its unmet resource needs through all available energy efficiency and demand reduction resources that are cost effective, reliable, and feasible." Section (2)(b)(9)(C).

III. Demand Forecast

- NRDC recommends that the CEC request the total cost to implement POU-run energy efficiency programs broken down by public benefit funds and procurement funds in form 8.1a (POU). In order to ensure that POUs are meeting the requirement of placing energy efficiency first on the loading order, the CEC must know how much POUs are spending on energy efficiency and the source of the funding.
- NRDC suggests that the CEC request average customer bills for all utilities

IV. Conclusion

NRDC appreciates the opportunity to comment on the Electricity Resource Planning and Demand Forecast forms and instructions proposed by staff in advance of the 2009 IEPR. We thank the Commission for considering our suggestions and we look forward to participating in the upcoming IEPR proceeding.

Respectfully submitted,



Lara Ettenson
Energy Policy Analyst
Natural Resources Defense Council
111 Sutter St., 20th Floor
San Francisco, CA 94104
415-875-6100
lettenson@nrdc.org



Noah Long
Sustainable Energy Fellow
Natural Resources Defense Council
111 Sutter St., 20th Floor
San Francisco, CA 94104
415-875-6100
nlong@nrdc.org