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DOCKET

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California Energy Commission
Docket Office, MS-4
Docket No. 09-IEP-1C
1516 Ninth St.
Sacramento CA 95814

Re: 2009 IEPR Draft Demand Forecast; Energy Efficiency Issues

Dear Docket

Attached please find Women's Energy Matters Comments on Energy Efficiency issues in the Draft Forecast as discussed at the 5-21 and 6-26 Workshops.

Sincerely,

/s/Barbara George

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Attachment

Women's Energy Matters Comments on 2009 Draft Forecast; Energy Efficiency Issues

Women's Energy Matters (WEM) appreciates this opportunity to comment briefly on energy efficiency issues in the 2009 IEPR Draft Forecast. We regret that the current schedule in energy efficiency at the CPUC gives us so little time; however we hope that our oral comments in the workshops will also be considered.

Background

WEM participated in the 5-21-09 and 6-26-09 CEC Workshops on this issue. WEM was also a party in the CPUC's Long-Term Procurement Plan proceeding R0602013, where the status of energy efficiency in the CEC forecast became an issue. In D0712052 in that proceeding, only 20% of future energy efficiency goals were determined to be available to reduce the need for supply side resources, because there was uncertainty as to how much "uncommitted" savings were already in the forecast. WEM is also a party in the current LTPP A0802007, which will utilize the forecast developed in this IEPR. WEM has participated in energy efficiency proceedings at the CPUC since 2001.

CEC staff, with the help of CPUC, Itron, and other parties, has been working to clarify the questions that arose in the LTPP — and in the process to review and refine the modeling methods.

Comments Summary

WEM is concerned that the process appears to be a long way from resolving the initial question from CPUC, and it is not clear when or how it will be resolved. The draft forecast states: "staff set out to re-estimate the historical electricity savings from utility programs as well as to measure the impacts of the 2009-2011 program plans." (Draft Forecast p. 170)

Staff stated that there is overlap between Codes & Standards, Ratepayer-funded programs ("IOU programs"), and "Naturally Occurring Savings." Because of this, there are no answers as yet to the question that arose in CPUC proceedings – i.e. how much of "uncommitted" energy efficiency is available to reduce/replace supply-side resources. WEM hopes CEC will find a way of resolving this as soon as possible, to avert over-procurement of supply-side resources.

We note below that Federal Stimulus EE programs should also be reflected in the demand, but not enough is known about them to include in this IEPR. They should definitely be included in the IEPR update next year.

Another issue that will frustrate CEC's efforts to clarify EE in the demand is that the CPUC is running a year behind schedule in approving the next cycle of energy efficiency ("EE") programs (which was to be 2009-11 but may be extended to 2012). The CPUC decision on these programs is now expected in September but could slip further. Revised programs plans were filed July 2nd.

Federal Stimulus EE Programs Should Be Included in Forecast

The Federal Stimulus will also change the amount of energy savings in California in the next couple of years. As administrator of many of the US DOE ARRA programs, CEC will be in charge of measuring those savings, so it will have a good idea of what is done. We note that these programs are not mentioned in the Draft Forecast, although they will change the demand picture considerably, as the funding may dwarf even the ratepayer-funded programs which are projected at over a billion dollars a year.

CEC's Role as Administrator of EE Programs

Parties in CPUC proceedings (including WEM) have recommended that CEC administer ratepayer-funded programs by local governments, as well as ARRA funded programs. WEM and others are concerned that the utilities will try to get control of federally programs, and will also attempt to make profits on them under the CPUC's "risk-reward" system.

Data Sources: Why Use IOU Self-Reports, Rather than Independent Measurement?

WEM is concerned that CEC is utilizing utility self-reports of savings, rather than the reports of independent measurement contractors hired by the CPUC. (See Table 8-4, p. 175) It is unclear why CEC uses IOU self-reports on EE when better figures have been available for many years.

There are always two sets of figures for any given year's programs. One is the self-reports from IOUs in May following the end of the program cycle. The other is the final reports of in-depth Evaluation, Measurement & Verification (EM&V). The EM&V studies are conducted after the end of the cycle, and typically appear between 6 mos. and a year later, but have occasionally been delayed much longer. The final EM&V seldom

concur with utility reports (which are almost always overstated). Recently the divergence has increased.

For many years, utilities were in charge of hiring and directing the contractors that performed the EM&V on IOU programs. The Commission recognized in D0501055 that this was unethical, and took charge of EM&V itself. There has been an interim report on the 06-07 programs (published in February 2009) which showed utilities achieving only around 75% of their goals; this has become highly controversial, because this would be too little for IOUs to get profits on these programs. (The Commission accepted utilities' reports instead and awarded \$82 million profits in Dec. 2008 because its own report was delayed.)

Naturally Occurring Savings

The category of naturally occurring savings is larger than the ratepayer-funded programs being run by the IOUs. There are a number of questions that came up in the workshops in regard to these statistics.

CEC staff noted in response to WEM queries that this is based on studies that date from 1975. WEM believes these should be updated.

The draft forecast shows much more “naturally occurring” savings in the commercial realm than residential (see Appendix Table A-7-1, June 2009 CEC Draft Staff Report Demand Forecast):

Examples of “naturally occurring” energy savings in PG&E territory:
2008 - residential 119 GWh; 34 MW / commercial 6,694 GWh; 1,228 MW
2015 - residential 500GWh; 144 MW / commercial 7,565GWh; 1,320 MW

This data means that a commercial property owner buys energy efficiency devices and upgrades (with no incentive) that save many times more demand as homeowners, because commercial property owners are much more sensitive to “price effects” (i.e. rate increases) than residential.¹

¹ In our comments to the CPUC 6-29-09 WEM took note of the CEC's data:

It has been common knowledge since the 1970s that large business operations are in a much better position to understand the benefits of energy efficiency to their bottom line, and will take action without being incited by EE programs. For this reason, EE programs in the late 70s and early 80s focused primarily on residential savings.

In recent years, EE programs have been prioritizing the commercial sector; residential programs have received far less of the funds than they proportionately contribute. *This should be*

It is not clear at this time how much of “naturally-occurring” savings are reflected in “net-to-gross” figures generated by the CPUC measurement contractors. (“Net-to-Gross” measures how many people would have installed a measure without the program incentives.) There is a need to compare CPUC net-to-gross figures with CEC’s “naturally occurring” savings. It could be that the strong, ongoing presence of EE programs in the commercial sector has resulted in more “naturally occurring” savings than are currently acknowledged in net-to-gross figures. Also, there is probably also more “naturally occurring” savings in residential as well; including the free ridership from Compact Fluorescent Lights (CFLs).

Dated: July 6, 2005

/s/Barbara George

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reversed. The commercial sector has less of a need for incentives, while the residential sector seriously needs them. (See further discussion in Whole House section, below.)