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California Energy Commission

**Incremental, Uncommitted Energy
Efficiency Quantification Sub-Project:
Caveats and Recommendations**

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Scope

- Uncertainties
- Recommendations
- Next Steps



Uncertainties

- Policy
 - Will policy makers and managements of the responsible institutions devote resources to push new EE programs to the extent shown in the scenarios that have been assessed?
 - How will the CPUC's policy toward replacement of savings decay change as technical analyses bring new information to light that is not now available?

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Uncertainties, Cont'd

- Technical
 - Unintended biases introduced by trying to mesh together the results of two quite different modeling systems
 - Time pattern of savings
 - Incomplete assessments within the domain of each model due to lack of resources, e.g. rerunning ASSET with 15% rate increase to discern its naturally occurring savings versus program savings
 - Peak system conditions (time of day, weather)

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Replacement of Savings Decay

- D.04-09-060
 - Cumulative savings goals
 - Established requirement to use in procurement
- D.07-10-032
 - Clarified the definition of cumulative savings with respect to savings decay
 - Required IOUs to replace savings decay to achieve cumulative goals
- D.08-07-047
 - Expand goals from just IOU programs to “total market gross”
 - Endorsed cumulative goals based on Itron’s 2008 Goals Study (Mid-Case)

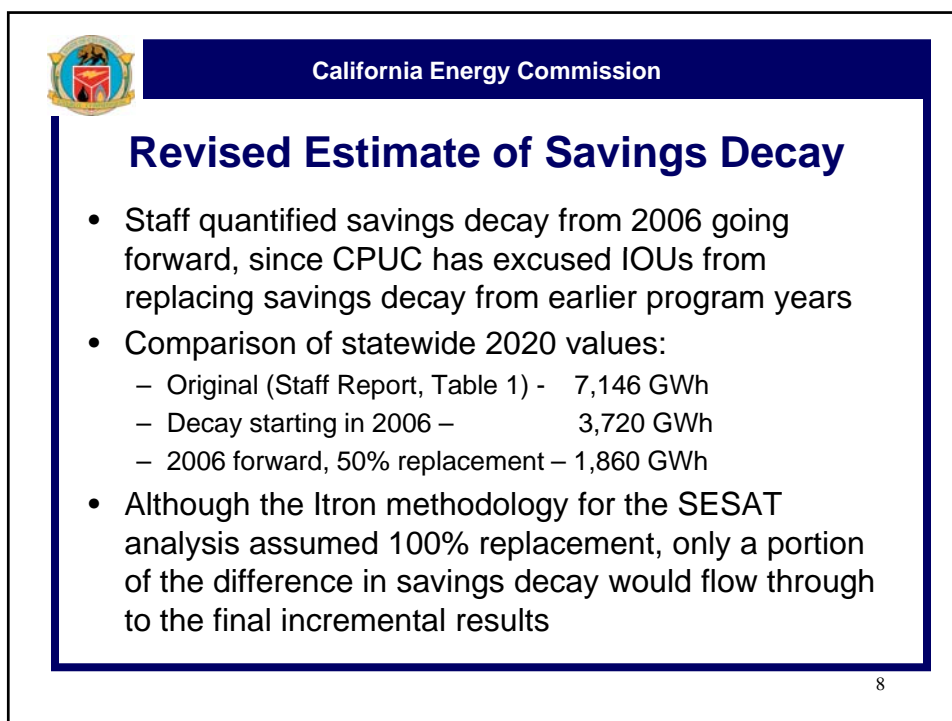
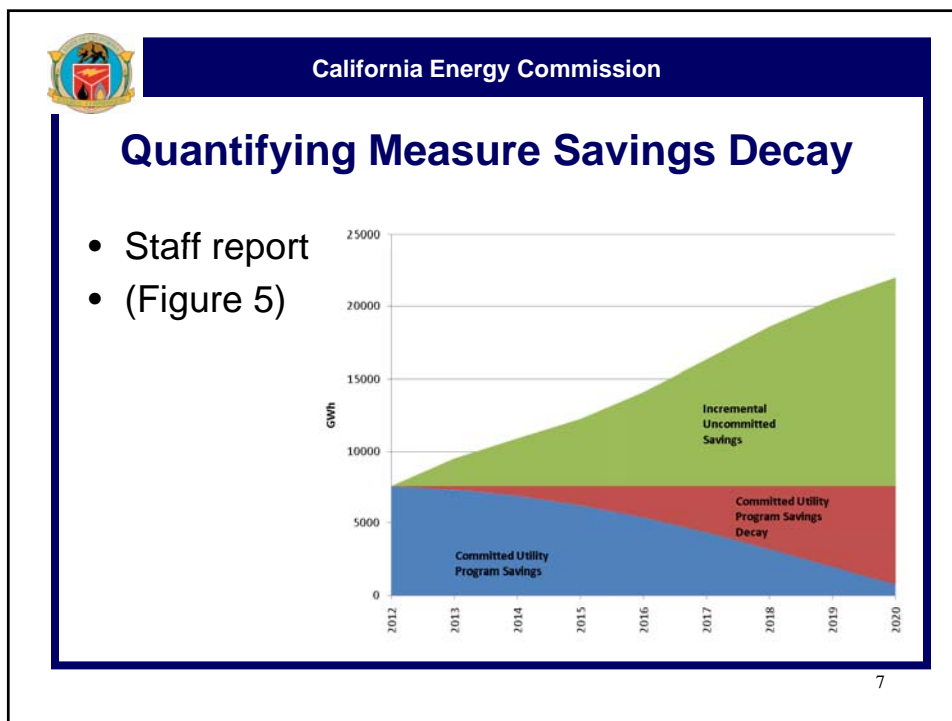
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Replacement of Savings Decay, Cont'd

- D.09-09-047
 - Adjusted goal values downward to reflect updates to ex-ante measure savings assumptions
 - Revised 2012 goal values by using adjusted IOU program savings from D.04-09-060 rather than TMG savings from D.08-07-047
 - Deemed 50% of savings decay to be considered replaced until further study can establish a different value
 - Reiterated previous direction to CPUC/ED to tackle saving decay replacement issues as part of 2013-2015 program design development

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Recommendations

- Goals should be stated in terms that are relative to a baseline projection of set of assumptions
- Credible incremental savings values, usable in the 2010 LTPP, have been prepared starting from the scenarios of the 2008 Goals Update Report
- In addition to the original policy decision of selecting one of the uncommitted scenarios, the CPUC should also adjust the adopted 2009 IEPR demand forecast with staff's estimate of the saving decay from 2006 forward assuming 50% replacement, eg, about 1,860 GWh in 2020

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Immediate Remaining Steps

- Clarify technical documentation of the results as result of the Feb. 3 workshop and comments (due Feb. 10)
- As necessary, modify policy aspects of staff report was a result of this IEPR Committee and Electricity & Natural Gas Committee workshop
- Transmit final documentation to CPUC as an Energy Commission input into the forthcoming 2010 LTPP proceeding(s)

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Intermediate Next Steps

- Use incremental results in other planning activities, such as the joint energy agency OTC analyses
- Complete current CEC staff training on SESAT and its inputs, and begin implementation for a POU
- Review accomplishments with DFEEQP working group members and set a course of action for the next round of analyses for 2011 IEPR cycle
- Talk with CPUC/ED staff in charge of the next goals update proceeding about “lessons learned” from this effort

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Longer Term Next Steps

- Continue staff’s demand forecasting model review and improvement project
- Conceptualize improved linkages between end-use forecasting models and platforms for quantifying impacts of hypothetical energy efficiency program designs
- Assess interactions with other demand-side policy initiatives leading to “managed” demand forecasts
- Develop specific plans for improving this analysis for the 2011 IEPR cycle, and general plans for future cycles

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