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California Energy Commission
1516 Ninth Street
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DOCKET 09-IEP-1C

DATE	FEB 12 2010
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RE: DOCKET NO. 09-IEP-1C, 2009 IEPR Electricity Demand Forecast. San Diego Gas and Electric (SDG&E) Comments on the California Energy Commission's Incremental Impacts of Energy Policy Initiatives Relative to the 2009 Integrated Energy Policy Report Adopted Demand Forecast.

Dear Commissioners,

SDG&E appreciates the opportunity to submit comments on Staff's draft report on the Incremental Impacts of Energy Efficiency Policy Initiatives Relative to the 2009 IEPR Adopted Demand Forecast, January 2010 (CEC-200-2010-001-D). The report includes Itron's analysis and comments on many aspects related to Itron's effort to bring together Staff's 2009 IEPR adopted demand forecast (CEC-200-2009-012-CMF, December 2009) and energy and peak savings scenarios based on the energy efficiency (EE) targets set out in the CPUC's 2008 Goals Decision (D.08-07-047). SDG&E's comments are directed as much to Itron's analysis as they are to Staff's report, which incorporates Itron's analysis.

Two separate modeling efforts, each conducted at different points in time, with different models and different assumptions, were used to produce the 2008 goals study and the 2009 IEPR demand forecast. Itron's analysis attempted to align the two modeling efforts by updating the goals study with assumptions, parameter values and driver data that are close to those used by the CEC staff in their 2009 IEPR demand forecast. SDG&E appreciates Itron's effort but the results of their

analysis are highly questionable and cannot be relied upon for resource planning purposes for several reasons:

- Itron's analysis produced a set of uncommitted EE savings impacts that go far beyond what the CPUC set out in their decision adopting interim energy efficiency savings goals for 2012 through 2020 (D08-07-047). For example, the CPUC's 2020 goal for all three IOUs is 4,029 MW, whereas Itron's new 2020 incremental uncommitted EE mid-case goal is 5,352 MW. Add to this an amount to reflect the uncommitted EE that is already contained in Staff's peak demand forecast (e.g., partial effects of the Huffman Bill lighting requirement) and it becomes clear that Itron's estimate of total uncommitted EE is even more unrealistic. And finally, subtract Itron's incremental uncommitted EE savings from the CEC's demand forecast and the result is an adjusted peak load forecast that is unrealistically low, with little or no growth in demand after 2012.
- Another major concern with Itron's analysis is the relationship between peak and energy savings. Itron's implied load factors of EE programs are unrealistically low, far from any historically achieved levels and dramatically different compared to the CPUC's EE load factors. Using Itron's incremental uncommitted EE savings from energy and peak one can compute a load factor as low as 20%, which is simply unrealistic.
- As Staff's report recognized, Itron's analysis assumed that decay from committed IOU programs was to be made up in some way but that it was beyond the scope of their analysis to consider how. Since Staff's forecast does not assume that it is made up and Itron's analysis assumes that it is, this leaves a hole in the analysis and defines an issue that should be addressed prior to finalizing this report.
- Finally, the Staff draft report acknowledges that there is much uncertainty contained in Itron's analysis. SDG&E agrees with this conclusion and believes that without carrying out a more comprehensive analysis of all identifiable elements of uncertainty and combining them into a more

realistic assessment of overall uncertainty the usefulness of Itron's findings are questionable and unsuitable for planning purposes.

In conclusion, SDG&E suggests that CEC staff and Itron resolve the issues identified before finalizing the report in order to present a more realistic assessment of energy efficiency impacts.

Respectfully Submitted,

A handwritten signature in black ink, reading "Amara Parly". The signature is written in a cursive style with a long, sweeping flourish extending to the right.