

**SDG&E EE HISTORY SUBMISSIONS ON DISCUSSION FOR
MAY 25, 2011 WORKSHOP**

1. **Introduction – EE History: Why is the issue important? – All**
Response: Historical attribution is extremely difficult to measure and for the purposes of the CEC forecasting not necessary. The CEC staff should be focused on future energy requirements and should not take the time, effort, or expense to calculate all possible sources of historic Energy Efficiency efforts. Therefore the CEC should strongly consider withdrawing the study or eliminating its focus on Energy Efficiency attribution.

2. **Which version of the “utility EE program history” information should be used for IOU programs (*ex ante* reported, *ex post* evaluated, an estimate of *ex post* evaluated prepared by CEC, other?) – All**

Response: It must be a combination of both Ex-ante and Ex-post. Fully vetted EM&E ex post studies should be use as well as reliable Ex-Ante values where necessary. However, as stated in question 1, this is an unnecessary task and should not be an issue for the CEC forecast.

- 2a. **Should there be additional effort to compile a more refined EE program history beyond that contemplated by CEC staff and described above?**

Response: No – there is little or no benefit in trying to re-estimate old, historical data that has already been adopted by the CPUC. In addition, CEC models should not be the source for determining attribution. These models are developed to forecast and are focused primarily on that element, not historic attribution.

- 2b. **If yes to 4a how should the information be compiled if it does not already exist?** Please be very specific about who should do this work, how will policy decisions about what “counts” or does not “count” be made, estimate how much time it will take (or how much time is appropriate to spend), what sources will be used, how this information would be used in the IEPR and what the value of additional work beyond that currently contemplated by CEC would be. Please describe for each of the following program eras – All
- Pre-1990
 - 1990-1993
 - 1994-1998

- 1998-2001
- 2002-2005
- 2006-2008+9

Response: This type of allocation is not only difficult but expensive. There is little if any benefit to making this type of calculation.

3. The traditional EE categories for the historic period are: building codes, appliance standards, program effects, and naturally occurring conservation. How specific should the write-up be about attribution between these categories and why? -- All

- 3a. Which savings categories should be included and why?
- 3b. Should a new category, “market effects” be included, if so why, and if so, how should these effects be estimated?
- 3c. How should the impacts of programs vs. standards be portrayed – in tabular form and visually?

Response: It is the aggregated savings that is important, not which programs get attribution. For this reason the list is irrelevant and no new categories are required.

4. The CEC’s proposal is to characterize the effects of the 2006-2008 programs using the CPUC/ED’s *ex post* evaluated results. Should the CEC use the *ex post* evaluated results or some other characterization of 2006-2008 programs? If some other characterization is proposed, please describe the characterization and the rationale for using it. -- All

Response: The Ex-Post impact evaluations completed for the program years 2006 through 2008 are not only the most controversial but also the most disputed impact evaluations ever completed within the state of California. In the early and the mid 1990s a system of cooperation and verification for impact evaluation studies was established. The process was based on all parties being heavily involved in the process and in the development of the actual studies. The utilities were responsible for completing the studies, but the Division or Ratepayer Advocates (DRA) was responsible for overseeing the process and for taking a critical look at the viability of each study. DRA as participating party in the proceedings, worked with evaluation experts to review each of the utility studies to make sure they were accurate and followed appropriate protocols. Final studies were required to include the data and the models so that all results could be duplicated by anyone who was interested in the final results. Monthly meetings were held to discuss methodologies, problems and to report findings associated with each study. Disputes were handled between parties, but when resolution could not be found, hearings were held to determine a final resolution. This detailed process resulted in a set

of studies that was extremely well vetted, agreed to by the vast majority of stakeholders and instilled confidence that the results truly reflected the actual level of savings achieved by the Energy Efficiency programs being studied. Unfortunately this cooperative review was not followed for the 2006-2008 studies. The utilities in the state were kept completely out of the evaluation process. There was no independent review, no cooperative development of methodologies and no communication concerning the studies until a final product was released. As a result the studies have never been fully vetted. Stakeholders in the process have never had their questions answered and controversy continues surround the accuracy and value of the vast majority of these studies.

Because of these controversies and disputes and because the studies have not been fully vetted, the Joint Utilities recommend that these studies not be used in any form for the determination of attribution of the EE programs. Using these studies would not only result in a historically false attribution, but lead to an inaccurate evaluation of the future role that should be played by EE programs. Instead, for the most important and controversial values, Ex Ante values should be used in coordination with the 2005 DEER which is the latest DEER with reliable and easily understood values, but only for purposes of forecast, not for historical attribution.

5. **CEC is proposing to characterize the current 2010-2012 program cycle in three scenarios to characterize 2010-2012 programs:**
- **Low EE impacts:** Applying 2006-08 CPUC/ED EM&V “realization rates” to the IOU program plans
 - **Mid EE impacts:** 2009 IEPR adjustments to 2010-2012 programs
 - **High EE impacts:** IOU forecast results for 2010-2012

For 2010-12 and beyond should there be a deterministic estimate or scenarios? If scenarios, should they differ from CEC’s proposed scenarios, and if so, how and why – All

Response: At least three scenarios should be included, but the 2006-2008 should not be used as the low case or for any scenarios in the analysis for the reasons stated in question 4 until the CPUC has formally approved the appropriate 2006-2008 results.

8. **Forecast results for energy efficiency are sensitive to assumptions about “decay” – how energy efficient measures are replaced at the end of their useful life. What percent are replaced with non-efficient technologies? With equally efficient technologies? With more efficient technologies? What additional information would be**

required to improve treatment of decay in the CEC staff forecast? -- All

Response: Replacements should be at the standard in place at the time of decay. Decay analysis and studies will provide a forum for Decay, EUL and RUL issues. These are the subject of CPUC evaluations currently going forward.

9. Add any additional information desired – All

Response: For forecasting purposes it is the aggregate EE that is important and most easily determined and with accuracy. We currently do not have the tools to perform accurate attribution of savings into the categorical definitions currently used in the industry. For this reason historical attribution should not be pursued and the focus should be on a good, future aggregate forecast.