

September 15, 2011

California Energy Commission
Dockets Office, MS-4
Re: Docket No. 11-IEP-1C
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DOCKET

11-IEP-1C

DATE SEP 15 2011

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Re: *Demand Forecast - Comments of the California Energy Efficiency Industry Council on the Committee Workshop and Preliminary California Energy Demand Forecast 2012-2020 (Docket No. 11-IEP-1C)*

To Whom It May Concern:

The California Energy Efficiency Industry Council (Efficiency Council) respectfully submits these comments on the August 30, 2011 Committee Workshop and associated Staff Draft Report, *Preliminary California Energy Demand Forecast 2012-2020* (Demand Forecast) being considered within the California Energy Commission's (CEC) 2011 Integrated Energy Policy Report (IEPR) proceeding.

The Efficiency Council is a statewide trade association of non-utility companies that provide energy efficiency services and products in California.¹ Our member businesses, now numbering over 50, employ over 4,000 Californians throughout the state. They include energy service companies, engineering and architecture firms, contractors, implementation and evaluation experts, financing experts, workforce training entities, and manufacturers of energy efficiency products and equipment. The Efficiency Council's mission is to support appropriate energy efficiency policies, programs, and technologies that create sustainable jobs and foster long-term economic growth, stable and reasonably priced energy infrastructures, and environmental improvement.

The Efficiency Council supports the Energy Commission's ongoing efforts to develop accurate energy demand forecasts and to accurately summarize the impacts of California's historical and ongoing energy efficiency activities. We appreciate the opportunity to provide these comments, summarized as follows:

- The Efficiency Council strongly supports the CEC staff recommendation to present energy savings graphically as a total sum without attribution to different categories, which no longer risks implying to the casual observer that a laissez-faire approach to energy efficiency will allow the State to meet its stated energy efficiency and AB 32 goals. We strongly urge the CEC to maintain this significant improvement from previous summary depictions of the impacts of energy savings in the revised and final adopted Demand Forecasts.
- The Efficiency Council urges the Energy Commission to include the incremental uncommitted energy efficiency in the Demand Forecast. The California Public Utilities Commission and the Energy

¹ More information about the Efficiency Council, including information about the organization's current membership, Board of Directors, and antitrust guidelines and code of ethics for its members, can be found at www.energycouncil.org.

Commission have adopted long-term energy efficiency goals for the IOUs and POUs, respectively, so they should be incorporated in full in order to facilitate system planning.

- The Efficiency Council urges the Energy Commission to include energy savings from all adopted appliance standards, specifically the television standards that were adopted in 2009 and are currently in effect but that are not included in the Demand Forecast.

A. The Efficiency Council strongly supports the CEC staff recommendation to present energy savings graphically as a total sum without attribution to different causes, which no longer risks implying to the casual observer that a laissez-faire approach to energy efficiency will allow the State to meet its stated energy efficiency and AB 32 goals. We strongly urge the CEC to maintain this significant improvement from previous summary depictions of the impacts of energy savings in the revised and final adopted Demand Forecasts.

The Efficiency Council commends the Energy Commission staff for the improved graphical representation of energy savings in the Demand Forecast to avoid misleading messages that could be derived from categorical attribution to various energy savings categories, including energy efficiency programs, codes and standards, and “price and other effects.” The graphical representation of energy efficiency savings in the Demand Forecast is much improved from earlier versions that risked implying to a casual observer that a laissez-faire approach to energy efficiency could allow the State to meet its future energy efficiency goals. As the Efficiency Council pointed out in its comments in response to the May 25, 2011 Staff Workshop, it would be very unfortunate if a single graph, with much uncertainty, was to suggest that taking no action is more effective than the sustained investment in efficiency programs, as well as codes and standards, that are required to overcome market barriers to wide-spread adoption of energy efficiency. We strongly urge the Energy Commission to maintain the current approach of showing total energy savings without attribution to different categories in the graphs in the revised and final adopted Demand Forecasts. After all, from an environmental impact and system planning perspective, what is critical to document in the Demand Forecast is gross savings associated with all efficiency efforts.

B. The Efficiency Council urges the Energy Commission to include the incremental uncommitted energy efficiency in the Demand Forecast.

The Efficiency Council believes that system planning will not accurately account for the impacts of energy efficiency if the savings from incremental “uncommitted” energy efficiency efforts (defined by the Draft Staff Report as being those efforts without specified funding) are not included in the Demand Forecast. Aside from a few tables and graphs buried in Chapter 8 of the Draft Staff Report’s Preliminary Demand Forecast that show projected energy savings from “uncommitted” energy efficiency efforts after 2012, the remainder of the Demand Forecast does not adequately reflect any “uncommitted” future energy efficiency savings. However, this is not an accurate representation of future energy demand in California. Energy efficiency will continue to be the state’s top priority resource, and additional savings will undoubtedly continue into the future.

The California Public Utilities Commission (CPUC) and the Energy Commission have adopted long-term energy efficiency goals for the IOUs and POUs, respectively. As the Energy Commission references in the Demand Forecast, total market gross goals through 2020 were adopted by the CPUC in D.08-07-047 and modified in D.09-09-047. Given that the CPUC also incorporates these impacts into its Long Term Procurement Plan, the state and the IOUs are committed to meeting the energy savings goals. As a result, rather than documenting the uncommitted incremental impacts separately, they should be incorporated into the Demand Forecast in full in order to facilitate accurate system planning. In addition, the CPUC is in the process of updating energy efficiency goals and the Energy Commission should coordinate with the CPUC to ensure that such impacts are included in the forecasts.

C. The Efficiency Council urges the Energy Commission to include energy savings from all adopted building and appliance standards, specifically the television standards adopted in 2009 and currently in effect.

The Efficiency Council urges the Energy Commission to ensure that energy savings from all adopted building and appliance efficiency standards are reflected in the revised and adopted forecasts. The Draft Report indicates that savings from the television standards were not incorporated into the Demand Forecast due to lack of data on expected impacts by sector.² The appliance efficiency regulations pertaining to televisions were adopted in November 2009 and went into effect beginning January 1, 2011. A second tier of the standards takes effect in 2013, such that the impacts of the standard are relevant to the timeframe for the forecasts and need to be taken into account. We are encouraged that the CEC staff is working to incorporate the effects of the television standards into the Demand Forecast, as indicated at the Staff Workshop.

Conclusion

The Efficiency Council appreciates the opportunity to offer comments on the Staff Workshop and Draft Staff Report. We look forward to working with the Energy Commission and other stakeholders to ensure continued cost-effective energy savings in California.

Sincerely,

A handwritten signature in black ink that reads "Audrey Chang". The signature is written in a cursive, flowing style.

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² Draft Staff Report, p. 181.