

Energy - Docket Optical System

From: Michael Rochman [RochmanM@spurr.org]
Sent: Wednesday, October 09, 2013 10:23 AM
To: Smith, Marcia@Energy; Energy - Docket Optical System
Subject: Docket No. 13-CCEJA-1, Comments re Prop 39 from SPURR

Categories: Ready to Docket

California Energy Commission

DOCKETED
13-CCEJA-01

TN 72054

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Dear Ms. Smith,

I am the Managing Director of the School Project for Utility Rate Reduction (SPURR) a joint powers authority (JPA) of California public K-12 school districts, county offices of education, and community colleges. I have some questions and comments regarding Proposition 39 implementation that I am hopeful you will be able to address.

By way of background, SPURR provides aggregated purchasing of utilities services for our members and for other eligible agencies, such as UC and CSU campuses. Over 220 public agencies, primarily K-12 districts, county offices of education, and community colleges, currently participate in our natural gas procurement program.

Under our natural gas program, SPURR buys commodity energy from wholesale suppliers and creates retail rate plans to meet our participants' needs. For example, many SPURR participants are on a portfolio rate plan that includes both annual fixed rate and monthly variable rate supplies.

PG&E delivers the gas to our participants and reads the meters. With a few exceptions, SPURR invoices participants both for the costs of PG&E delivery service and SPURR gas supply. SPURR then remits delivery service charges to PG&E on behalf of our participants.

SPURR is trying to standardize and simplify our reporting process in conjunction with Prop 39. In that regard, we have the following questions and comments:

- 1) When the draft Prop 39 Guidelines request "12 months" of data, are they seeking 12 separate monthly cost and usage data points, or annual total data points?
- 2) It would be our preference to provide data that coincides with fiscal year terms, for the sake of simplicity and consistency, rather than producing historical reports for time periods that vary depending on when a Local Educational Agency (LEA) submits their request. Will pre-project fiscal year reporting (e.g., FYE June 2013) satisfy the "prior" period data requirement?
- 3) SPURR has always responded promptly to gas program participant requests for historical data from our system. However, we typically only receive one or two such requests per month. Due to Prop 39, the number of requests will spike through the roof, perhaps into the hundreds. Is any funding available, either through Prop 39 or other CEC/CPUC programs, for a JPA such as SPURR to help us respond to increased data requests?
- 4) Under the Guidelines, it appears that the CEC may request data directly from utilities. Given that all consumption information can be obtained from PG&E (which is solely responsible for meter reading), will SPURR be subject to CEC data requests? If so, we would like to discuss the process with the CEC. We wish to avoid providing duplicative data reports, first to hundreds of LEAs and then again to the CEC.
- 5) Under the Guidelines, at Exhibit E, Energy Cost Savings are defined as "Total energy cost savings realized over the life of the equipment, including kWh energy, kW demand, natural gas, and other liquid fuel savings." Also according to Exhibit E, "When calculating the net present value of a project, the escalation rate in energy cost, rate of inflation, and discount rate over time are considered."

I take this to mean that savings will be judged by multiplying avoided consumption (kWh or therms) by pre-project unit costs of supply (cents per kWh or per therm), increased by an approved annual escalation factor.

Alternatively, post-project unit costs of energy might be used to compute savings. There are pros and cons for using either pre-project or post-project costs.

My concern is that, if pre-project unit costs are used for savings calculations, then post-project unit costs are not relevant for Prop 39 compliance. On the other hand, if post-project costs are used for savings calculations, then pre-project unit costs are not relevant.

My request is that (a) the CEC state clearly which costs will be used, and (b) whichever costs are not relevant should not be collected, to save time and effort by all parties.

6) Will avoided costs be subject to weather correction? If so, who will be responsible for correlating accounts with weather stations and for performing weather regressions? The school district or college? The CEC?

Regards,

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SPURR is the Utilities Joint Powers Authority of California Public Schools