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**Sent:** Wednesday, November 13, 2013 6:24 PM

**To:** Douglas, Karen@Energy; Scott, Janea@Energy; Hochschild, David@Energy; Weisenmiller, Robert@Energy; McAllister, Andrew@Energy

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**Subject:** IEPR Topline Thoughts from Sierra Club

Dear Commissioners:

As you are finalizing the 2013 IEPR, we would greatly appreciate your consideration of adopting the following high priority recommendations from Sierra Club California.

**1. We recommend utilizing the mid-case demand forecast, adjusted by the high-case scenario #5 for additionally achievable energy efficiency (AAEE) as the basis for the California's 2013-2014 final approved forecast.** The commission and state have a reliable tradition over many years of continuing its programs and standards programs which cost effectively achieve significant additional EE reductions. With the many excellent programs that the commission is planning to pursue over the next several years including ZNE programs for new residential and commercial buildings, the new program for retrofitting existing buildings for ZNE under the AB 758 (2009), new enhanced appliance standards and many others, this level of AAEE should be quite achievable.

**2. We recommend that the timeline for implementation of ZNE requirements for commercial buildings be accelerated from the current plan of 2030 to instead become effective 1/1/2023 following optional standards issued effective 1/1/2020.** The costs of rooftop solar to meet the generation component of achieving ZNE are quite cost effective today and getting even more so every year. The energy efficiency component of new buildings is also getting cost effective today. So the overall cost effectiveness of ZNE for commercial buildings is starting to happen currently in 2013. Accelerating to at least 2023 should be very achievable.

**3. We support the commitment of the California Energy Commission (CEC), the California Public Utilities Commission (CPUC) and the California Independent System Operator (CAISO) to use a single forecast to guide all future agency and utility planning efforts.**

**4. We recommend that the Reliability Plan be adjusted to reflect the CEC's latest demand forecast including AAEE.** When this is done, the resulting net 500 MW need should easily be met with preferred resources and there should be no need for any additional conventional generation.

The "Preliminary Reliability Plan for LA Basin and San Diego DRAFT August 30, 2013" used the old 2012 CEC demand forecast which results in an overestimation of demand by 2000 MW compared to the CEC's latest demand forecast with AAEE.

The Reliability Plan says that there will be a need for 4,600 MW of additional resources at the end of 2020 in the LA Basin and San Diego areas combined. Of this amount, 2,100 MW of resources have already been authorized by the CPUC, leaving a claimed "residual need" of 2,500 MW. Utilizing the new California Energy Commission base case forecast released in Sept, 2013

including AAEE, results in a reduction in residual need of about 2000 MW. This reduces the balance of need to about 500 MW, rather than the 2,500 MW claimed.

Sincerely,

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