

DOCKETED

Docket Number:	15-IEPR-05
Project Title:	Energy Efficiency
TN #:	204303
Document Title:	Sempra Utilities Comment on AB 758 Draft Action Plan
Description:	N/A
Filer:	System
Organization:	SEMPRA/ Tamara Rasberry
Submitter Role:	Public
Submission Date:	4/21/2015 8:28:09 PM
Docketed Date:	4/21/2015

Comment Received From: Tamara Raspberry

Submitted On: 4/21/2015

Docket Number: 15-IEPR-05

Sempra Utilities Comment on AB 758 Draft Action Plan

Additional submitted attachment is included below.



Tamara Rasberry
Governmental Affairs Manager

925 L Street, Suite 650
Sacramento, CA 95814

tel: (916) 492-4252
email: Trasberry@semprautilities.com

April 21, 2015

California Energy Commission
Dockets Office, MS-4
1516 Ninth Street
Sacramento, CA 95814-5512

RE: Docket 15-IEPR-05. AB 758 Draft Action Plan - Comments of San Diego Gas & Electric Company and Southern California Gas Company

Dear Commissioners:

San Diego Gas & Electric Company (SDG&E) and Southern California Gas Company (SoCalGas), the Sempra Energy Utilities, appreciate the opportunity to provide comments on the California Energy Commission's draft plan, "*California Existing Buildings Energy Efficiency Action Plan*" (also referred to herein as *the Action Plan*) pursuant to AB 758, Skinner, Chapter 470, Statutes of 2009.

The Sempra Utilities support the overall direction of the Draft AB 758 Action Plan. The Plan provides a framework requiring a compendium of market actors to be successful. The Sempra Utilities look forward to working with the CEC and other stakeholders to finalize the Action Plan. We propose that once the plan is finalized, working teams for each initiative are established to create a roadmap of implementation to the stated milestones. Each working group should be given the responsibility of reporting its progress (on a more frequent basis than the biennial IEPR) to ensure either they are either making progress towards stated goals, or to identify early the need to adjust those goals. Our comments are organized consistent with the chapters of the Draft Action Plan.

CHAPTER I. INTRODUCTION

The Opportunity and Challenge for Energy Efficiency

Per Draft Action Plan p.7: "*The increasing stringency of California's building energy efficiency standards widens the gap between existing buildings and current code. This both makes "to-code" projects in existing buildings more challenging (and expensive) than before, and*

reduces the potential for “above-code” measures for a given project. At the same time, ratepayer-funded incentive programs are generally allowed to claim only the ‘above-code’ portions of a project.”

We agree that the cost and stringency of building energy standards discourages many building owners from code compliance. A possible solution to this compliance gap is to allow customers to receive assistance with building retrofits up to code. We recommend that Investor-Owned Utilities (IOUs) programs be strongly leveraged to support bringing existing buildings up-to-code, not only through its Audit, Benchmarking, Codes and Standards, and Workforce Education programs, but also through its rebates and incentives programs to provide customers with additional financial support together with various financing instruments. Allowing the use of the rebates/incentives and financing instruments would allow customers to move forward with implementing the myriad of recommendations to bring their buildings up to code, while at the same time realizing significant energy savings.

Milestones & Outcomes

The Sempra Utilities support the aggressive schedule set forth by the CEC to engage customers and stakeholders in the Action Plan and agree that in order to achieve its goals, the Plan must be implemented quickly and in a comprehensive manner.

To meet the goals in a timely manner the CEC must work closely with IOUs to identify a roadmap to achieve the 2016 milestones and to set clear expectations and identify any potential hurdles. SoCalGas in particular notes it was the last of the large energy IOUs to receive approval to install Advanced Meters (e.g., electronic meters), and that implementation is scheduled to be completed in 2017. The timing of providing data derived from Advanced Meters should coincide with availability. Also, we are committed to ensuring the confidentiality and protection of customer privacy and will work closely with the CEC to ensure that proper measures are taken to achieve the outcomes while still protecting customer privacy. SDG&E and SoCalGas are versed in the appropriate handling and dissemination of data, and are already fulfilling requests for data consistent with the conditions as prescribed in the CPUC Smart Grid Proceeding (R.08-12-009).

While supporting the ambitious goals of the Action Plan, we recommend that additional work be required to identify the means by which program participation will increase by 33% in 2020 and 66% in 2025, and if that is to be done in combination with the focus on doing deeper energy efficiency projects. In addition, the Action Plan seeks to achieve double the energy efficiency savings trajectory contemplated in the achievable mid-savings scenario of the California Energy Demand Updated Forecast for 2015. We understand the accelerated portion needed to reach this goal is projected to come from Publicly-Owned Utility (POU) programs. The IOUs will be key actors in savings achievements by the POUs through leveraging arrangements and Integrated Demand Side Management (IDSMS) activities. For example, SoCalGas has numerous agreements with POUs which lead to greater customer participation in energy efficiency programs, and is in the process of seeking additional POU and Municipal-Owned Utility (MOU) program partners. Additional programs that allow for flexibility in approaches for POU and MOU partnerships, such as To-Code programs mentioned above, are also needed to allow for

increased participation to reach the ambitious goals. As parties move together toward implementing these strategies, it is also recommended that cost-effectiveness be more closely examined to determine whether the established standards support the level of participation needed to meet goals, or if changes are needed to better align with objectives.

CHAPTER II. POLICY CONTEXT

Summary of Relevant Legislation and Policies

SDG&E and SoCalGas believe that incorporating a holistic approach, such as Integrated Demand Side Management (IDSM), to address the energy needs of existing buildings would improve energy efficiency and on-going energy management of these buildings. In order to ensure a more integrated approach the Sempra Utilities urge the CEC to consider including IDSM, as currently approved for 2015 in R.113-11-005, and any findings and recommendations that will be developed by the CPUC's IDSM proceeding (R.14-10-003). We believe that a lack of specific IDSM direction in the overall plan could result in a less comprehensive and holistic approach to improving the energy efficiency of existing buildings. We recommend the Action Plan be updated to incorporate details associated with existing IDSM efforts and incorporate any relevant action from the IDSM proceeding.

The draft Action Plan p. 35 states, "*The CPUC directed the utilities within its recently-closed Smart Grid Proceeding (R.08-12-009) to provide... anonymized usage and usage-related data by census block group.*" We want to clarify that the IOUs were not ordered to provide customer energy usage data by census block. Instead, IOUs were ordered to make publically available aggregated usage data by customer type (i.e., residential, commercial, industrial, agricultural) and zip code. The rules for such aggregation were standardized and included protocols for combining customer types in zip codes that could not meet these aggregation standards. Some third parties were provided mechanisms to request other levels of usage information, up to and including interval usage data. However, the CPUC chose specifically not to include building owners within that select group. This decision by the CPUC required IOUs to continue to work within the bounds of Public Utilities Code 8380 when working with building owners. PUC 8380 requires that IOUs verify the building owner has obtained customer consent before sharing non-aggregated energy usage data. The Sempra Utilities will continue to work with the CEC to provide data consistent with PUC 8380 and D.14-05-016.

Water Policy Context

We agree with the CEC that Water Policy in California - although complex - is an integral part of the Action Plan and is a primary consideration for its success. We recommend that the California IOUs¹ and the following agencies are engaged early to leverage other energy plans and programs already in place to reduce energy consumption by the water sector, and support water conservation efforts:

¹ IOUs are Pacific Gas and Electric Company, Southern California Edison Company and the Sempra Utilities.

- a. Department of Water Resources (DWR)
- b. State Water Resources Control Board
- c. Regional/Local Water Districts
- d. California Bay-Delta Authority
- e. California Urban Water Conservation Council
- f. U. S. Bureau of Reclamation

CHAPTER III. ACTION PLAN STRATEGIES

Statewide Non-Residential Benchmarking and Disclosure (S 1.2):

Addressing consent for releasing multi-tenant consumption history has been a barrier to multifamily building benchmarking for over seven years, as energy users are often not the same as the property owners or managers. We recommend an alternative procedure that does not require customer data for multifamily buildings. One example would be collecting building data that does not require customer consent, such as square feet and building vintage, and entering it into Portfolio Manager along with energy bill account information provided by the utility. A resulting energy-efficiency score would be produced. This would avoid customer privacy concerns and still provide a high percentage of success.

Realize the Full Benefits of the Building Efficiency Standards for Existing Buildings (S 1.5):

As discussed earlier in the introduction, we recommend that IOUs be allowed to revise existing energy efficiency programs so that customers can receive rebates and incentives for bringing older, inefficient buildings up to code. This would help address the steep financial cost to address the increasing gap between code compliance and existing buildings.

Existing Building Efficiency Collaborative (S 1.9):

We support the efforts to align CEC and CPUC strategies as they relate to the implementation of the Action Plan moving forward. It is imperative that the two lead agencies maintain a consistent and common viewpoint as the plan progresses from development to implementation. Additionally, we recommend that utilities and other key stakeholders be included in the Existing Building Efficiency Collaborative to ensure that agencies and Program Administrators are aligned and ready to implement in a timely manner.

Data For Improved Decisions (S 2.1):

We strongly recommend that the CEC work closely with the IOUs early in the process of developing energy data access infrastructure. This is to ensure that customers have easy access to the right data to make informed energy-saving decisions, while maintaining customer confidentiality and protection of sensitive information in accordance with the Privacy Protection Rules established in Decision 12-08-045.

We also recommend that S 2.1 be enhanced to reflect the use of Evaluation, Measurement & Verification (EM&V) study results to aid decisions when warranted. If EM&V is included within the information referenced in that strategy, additional clarity regarding how EM&V is expected to be leveraged by the Action Plan will help market actors plan and implement accordingly.

Data For Improved Decisions (S 2.2):

This strategy calls for effective, modular approaches to customer engagement. Our energy efficiency portfolios are intended to address customer segments in a multitude of ways to meet specific needs. Marketing, Education and Outreach (ME&O) performed by the utilities is designed to coincide with and support the umbrella statewide marketing campaign, be attentive to more specific customer messaging at a regional level, and leverage familiarity with the other utility services to increase program participation. The introduction of program changes, or new dynamic programs (such as through the continuous Third Party Program solicitations or expansion of behavioral programs) will coincide with the timing identified for this strategy. The utilities strongly concur with a customer-driven focus / approach.

Zero Net Energy Retrofits (S 3.4)

We support the Draft Action Plan goals of scaling up Zero Net Energy (ZNE) retrofits in California, and believe that the IOUs, as well as the POUs, are uniquely suited to expand the number of successful ZNE retrofits. In fact, the IOUs launched the ZNE/Prop 39 Pilot for K-12 and community colleges this month. The IOUs are developing deep ZNE-focused demonstration projects within school districts and community college campuses statewide, documenting findings and best practices, and educating and training school district staff on the principles of ZNE.

This will also pave the way for achieving Action Plan Strategy 1.1.3, which aims to develop deep retrofit exemplars of California school buildings/campuses.

Marketing and Outreach (S 4.2)

In order to mitigate confusion on the marketplace, we support the continued coordination of ME&O for the residential and small business sectors under Energy Upgrade California. This coordinated effort will help to leverage existing programs and minimize duplicative efforts.

Solutions are accessible and affordable for all Californians (Goal 5):

The Action Plan describes financing pilots and programs deployed by California Alternative Energy and Advanced Transportation Authority (CAEATFA). The information in this section is outdated. We recommend that the CEC contact CAEATFA for updated information on the financing programs listed in this section.

CHAPTER IV. IMPLEMENTATION

The draft Action Plan identifies working with appliance manufacturers to address appliance efficiency, and also avoiding investment in new natural-gas fired power plants, as critical elements in meeting the state's long-term energy goals. The IOUs' Emerging Technologies Programs (ETP) works closely with manufacturers and technology innovators to help increase the efficiency of their products. For example, SoCalGas works continuously with multiple manufacturers to test and further develop more efficient water heating technologies. SoCalGas is also field testing technologies targeting behavior change using smart thermostats and messaging. We support the CEC's goals of higher efficiencies in both electric and natural gas appliances, and look forward to collaborating with the CEC to implement the Action Plan.

ADDITIONAL COMMENTS

We believe that implementation of the potential SW goals set under AB758 as defined under Executive Summary – Future Discussion and Evolution will require extensive program redesign. As a result, additional discussion and collaboration are needed to ensure success that appropriate procedures are in place to set realistic expectations and goals.

- Leverage the collaborative and partnership efforts of the IOU Statewide HVAC team, the HVAC Stakeholder Group (WHPA – Western HVAC Performance Alliance); and the CEC Existing Building staff in the WHPA AB758 Committee. The goal of the AB758 Committee is to find opportunities for HVAC Industry collaboration on the design and implementation of AB758.
- Move from disclosure/assessment to action.
- Evaluate other options to facilitate market implementation of efficiency at scale, including via utility resource procurement.
- New business models.
- Integrating societal and private value propositions.
- Align energy efficiency, distributed generation, and demand response efforts in existing buildings.
- Align water and energy policies for existing buildings.
- Assess and develop feasibility of zero net energy and near-zero-emission existing buildings.
- Track market; if necessary, move toward mandatory time-certain retrofits

The Sempra Utilities appreciate and support the leadership of the CEC and the efforts of all stakeholders towards the development of a comprehensive plan to successfully implement AB758. The Sempra Utilities look forward to participating further in the design and implementation of the Action Plan.

Respectfully submitted,

Tamara Raspberry