

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY
AND COMPLIANCE DIVISION
Energy Branch

RESOLUTION G-2968
November 6, 1991

R E S O L U T I O N

RESOLUTION G-2968. PACIFIC GAS AND ELECTRIC COMPANY REQUESTS AN EXPANSION OF ITS 1992 CUSTOMER ENERGY EFFICIENCY PROGRAM MEASURES AND THE ASSOCIATED ENERGY SAVINGS AND COST ESTIMATES.

BY ADVICE LETTER NO. 1638-G-A/1350-E-A, FILED ON SEPTEMBER 17, 1991.

S U M M A R Y

1. In this advice letter, Pacific Gas and Electric Company (PG&E) seeks approval to implement new and modified energy efficiency measures that PG&E proposes to include in its 1991-1992 Customer Energy Efficiency programs, and the associated energy savings and cost estimates.
2. This resolution approves the utility's proposed energy savings and cost estimates, and authorizes PG&E to implement new measures and modify other measures, as proposed.

B A C K G R O U N D

1. PG&E submitted Advice Letters 1638-G/1350-E on March 26, 1991, to present new and modified measures to the Commission that PG&E wants to adopt in 1991 and 1992. The Commission authorized PG&E in the Collaborative decision (90-08-068 and 90-12-071) to pursue additional measures but to seek approval through an advice letter from the Commission prior to implementation.
2. PG&E had included preliminary savings and cost estimates in its filing. The Division of Ratepayer Advocates (DRA) hired Lawrence Berkeley Laboratories (LBL) to review PG&E's estimates. The California Energy Commission (CEC) also conducted an in-house review. In July 1991, PG&E met with DRA and CEC to negotiate and settle on disputed figures. Agreements were reached for all estimates.
3. On September 17, 1991, PG&E filed Advice Letters 1638-G-A/1350-E-A to supersede Advice Letters 1638-G/1350-E. The second filing contains all of the savings and cost estimates at their final negotiated levels and includes all of the proposed new measures and modifications.

4. In April, 1991, PG&E submitted its ECAC application (A.91-04-003). PG&E is proposing that some of the estimates be adopted and implemented in 1991 and also adopted in the ECAC for 1992.

5. PG&E's proposal includes modifications and/or additions in the following programs:

- 1991 and 1992 Residential Appliance Efficiency Program
 - Refrigeration
 - Space Cooling
 - Water Heating
 - Lighting
- 1991 Commercial/Industrial Direct Energy Management Incentives Program
 - Lighting
 - Refrigeration
 - Commercial Cooking Equipment
- 1992 Commercial/Industrial Direct Energy Management Incentives Program
 - Lighting - divided into the following sub-categories:
 - Office Lighting
 - Retail Lighting
 - University Lighting
 - School Lighting
 - Grocery Lighting
 - Restaurant Lighting
 - Other Lighting
 - Refrigeration
 - Commercial Cooking Equipment
- 1991 and 1992 Commercial New Construction
 - Motors
 - Transformer
 - Air Conditioning
 - Refrigeration
 - Lighting
 - Office Lighting
 - Retail Lighting
 - University Lighting
 - School Lighting
 - Grocery Lighting
 - Restaurant Lighting
 - Other Lighting
- 1992 Large Commercial New Construction and Thermal Energy Storage Programs
 - HVAC
 - Lighting
 - TES
- 1991 and 1992 Direct Agricultural Energy Management Incentives Program
 - Lighting
 - Agricultural Items
 - Controls
- 1991 and 1992 Residential New Construction Program - TRC Test value adjusted
- 1992 Residential Appliance Efficiency Programs

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Space Conditioning
Other (Clothes Washer, Gas Cooking, Gas Clothes Dryer)

6. PG&E held several advisory committee meetings in the spring of 1991, where agreement was reached on a general procedure for finalizing energy saving and cost estimates for new and modified measures. The following procedure has been completed:

a. PG&E files a list of new and modified energy efficiency measures for 1991 and 1992 and their preliminary energy saving and cost estimates in an advice letter.

b. DRA will conduct an independent review of these estimates and measures.

c. PG&E, DRA and any other interested advisory committee members meet to negotiate acceptable estimates and measures.

d. PG&E files a supplemental advice letter by July 15, 1991 (actually filed September 17, 1991), to request adoption by the Commission of updated estimates.

e. Final estimates become the basis for calculation of the programs' cost-effectiveness and shareholder incentive, if they are adopted by the Commission.

7. Finally, PG&E claims that this filing will not increase any rate or charge, cause the withdrawal of service, or conflict with any other rate schedule or rules.

NOTICE

1. The advice letter was noticed by publication in the Commission Calendar and was served on the parties on PG&E's electric advice letter mailing list, in accordance with Section III of General Order 96-A.

PROTESTS

1. No protests were filed.

DISCUSSION

1. In this advice letter, PG&E has requested that the Commission accept energy savings and cost estimates to be used in calculating the cost-effectiveness of PG&E's DSM measures. Some of these estimates are to be applied in 1991, some in 1992, and some in both 1991 and 1992. These estimates have been thoroughly reviewed by LBL and the CEC. After some negotiations, all three parties reached agreement on all of the estimates. CACD accepts the estimates filed in Advice Letters 1638-G-A/1350-E-A as technically accurate and acknowledges the efforts of DRA, CEC and LBL in their negotiations with PG&E.

2. The proposed program modifications and additions are in line with the Commission's position that DSM should be promoted. However, it is difficult to assess at this time how this proposal could have an impact on rates in the future. Clearly, PG&E will have to request additional funding, even beyond its request in the ECAC, if it pursues so many new measures and the measures are successful. At this time, CACD supports the expansion of DSM but suggests that PG&E carries the risk for funding these programs because the Commission cannot guarantee additional funds through the ECAC or any other proceeding.

3. Any decisions made in the ECAC regarding energy savings estimates and measures will override this resolution, if a conflict arises.

FINDINGS

1. PG&E filed Advice Letter No. 1638-G-A/1350-E-A requesting adoption of energy savings and cost estimates to be used in cost-effectiveness analysis of PG&E's DSM programs. PG&E also proposes to modify and add DSM measures to its existing DSM programs. PG&E is not requesting any funds at this time, however, the proposals will require additional funding that PG&E has requested in its ECAC and possibly will request in future proceedings.

2. PG&E worked with the DRA, the CEC and LBL to develop its final energy savings and cost estimates.

3. This Advice Letter supports the Commission's goal to promote demand-side management.

4. PG&E's ECAC decision in A.91-04-003 overrides this resolution if there are any conflicting issues. The expansions and modifications permitted under this resolution will not necessarily be authorized funding in the ECAC. Thus, PG&E is at risk for funding these programs above the funding levels approved in the Collaborative decision (90-08-068 and (90-12-071)).

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THEREFORE, IT IS ORDERED that:

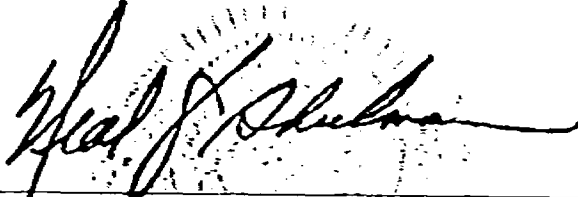
(1) Pacific Gas and Electric Company shall revise its energy savings and cost estimates as proposed in Advice Letter 1638-G-A/1350-E-A. PG&E shall also modify and add new measures as proposed in the advice letter.

(2) Advice Letter 1638-G-A/1350-E-A shall be marked to show that it was approved by Commission Resolution G-2968.

This Resolution is effective today.

I hereby certify that this Resolution was adopted by the Public Utilities commission at its regular meeting on November 6, 1991. The following Commissioners approved it:

PATRICIA M. ECKERT
President
JOHN B. OHANIAN
DANIEL Wm. FESSLER
NORMAN D. SHUMWAY
Commissioners



NEAL J. SHULMAN
Executive Director