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Sent: 1/28/2010 10:46:09 AM
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Bcc:

Subject: Re: Question/Comment on Table 2 of Draft Staff Report

Rick,

There are many ways to portray this. Each has pluses and minuses.

More importantly, I don't think looking at EE in isolation is actually that helpful. As Attachment C points out explicitly, there are other demand-side preferences (additional distributed generation, CHP configured as self-generation, etc.) that in combination with EE will be used to develop a managed demand forecast for resource portfolio planning purposes. Your question of reasonableness needs to be looked at in combination with other such values that go beyond the scope of this report. You raise an important question, but one better placed into the appropriate slot of the 2010 LTPP rulemaking.

The intent was to use IOU service area values in computing the load growth, and percent of load growth calculations. Table 10 shows the actual load forecast values used to make the calculations in Table 2. Service area versions of the adopted demand forecast are included in the final adopted demand forecast report on page 51.

Mike

[Redacted] /28/2010 10:28 AM >>>

Chris/Mike, hope all is well with the both of you. I'm sure these last couple of weeks have been hectic. I am doing a first read through on the report and I have to say I am always very impressed by the quality of these reports. I know that you put a lot of time and effort into these reports and it really shows in the final product.

One thing I noticed right away and wanted to give you a heads-up on ASAP is that in Table-2 the % of incremental savings is shown as a % of 2008-2020 load growth. That seems misleading to me and makes the % reductions in load due to incremental uncommitted savings look (in my opinion) much more reasonable than they really are. I think a better representation of the % reduction impacts would be to show them as a % reduction of 2013-2020 basecase load growth (the incremental uncommitted period load growth). I believe if you do that you will see that even in the low EE savings scenario the incremental uncommitted savings are close to 100% of basecase load growth (not the 50% that is shown in Table 2 of the draft report) and the high case is close to 150%! Is there some reason why 2008-2020 period for the % reduction in load growth rather than the actual incremental uncommitted period of 2013-2020 is preferred? I copied Art and Tim in on this as I'm sure they were wondering the same thing [Redacted] and Shilpa are our EE folks who

will be reviewing the analysis for [Redacted] who is now retired).

Also, can you double check the Table 2 calculations to be sure that it is a Service Area to Service Area calculation? My understanding is that the EE savings are by Service Area whereas the load growth is at Planning Area.

If there is no reason to prefer the 2008-2020 period for the Table 2 comparison I suggest that in the final version of the report and for any slide presentations that are given at the workshops the comparison in Table 2 use load growth in the incremental uncommitted period only. I believe that the comparison made in Table 2 is really the core issue with respect to whether these estimates are reasonable in the context for which they will ultimately be used. The real issue here has never been whether the basecase forecast or the incremental uncommitted estimates are reasonable in isolation but whether it is reasonable to combine the two estimates to produce a forecast that will be used for long-term infrastructure planning when the result of combining those two analysis is zero or negative load growth over the next ten years (a truly unprecedented projection). Making the apples to apples comparison using the 2103-2020 period for both the numerator and denominator seems much more reasonable to me. ~ Rick