From: Redacted Sent: 9/28/2010 7:37:49 AM

- To: Lai, Peter (PPL@cpuc.ca.gov); Steven.Long@sce.com (Steven.Long@sce.com); 'Early Opinion Shared' (U4958993P37089641-reply@ener gydivision.basecamphq.com); 'Mark McNulty' (markmcnulty@sbcglobal.net); Steve Galanter (Steve.Galanter@SCE.com) (Steve.Galanter@SCE.com)
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Bcc:

Subject: RE: [Energy Division] ED's response to PG&E's Chiller @ healthcare early opinion request

Peter-

In this review your team has introduced a new term called: Economic Useful Life. The Energy Policy Manual uses the term Effective Useful Life and has a definition. I believe it is clear that the effective useful life is the number of years a piece of equipment operates, which can be much longer than the economic life, particularly for high cost items such as boilers and chillers. Customers simply opt to spend more expense dollars maintaining this equipment for years and years than take the big hit for capital expense replacement.

Can you please define Economic Useful Life, how it differs from Effective Useful Life and explain how it is to be used?

Thank you,

Redacted Manager, Technical Product Support Pacific Gas & Electric Company P.O. Box 770000, mailcode N6G San Francisco CA 94177

Redacted

From: Peter Lai [mailto:notifications@energydivision.basecamphq.com]
Sent: Monday, September 27, 2010 11:37 AM
To:Redacted
Subject: [Energy Division] ED's response to PG&E's Chiller @ healthcare early opinion request

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Project:Early Opinion Shared

Company:

Peter Lai posted a new message:

ED's response to PG&E's Chiller @ healthcare early opinion request

Project description:

A customer is operating four single-stage absorption chillers, two at each building, with a total capacity of 1,160 tons. The absorption chillers are past their economic useful life (EUL) and are operating independently at these buildings because the intertie is not operable. The customer has proposed to replace one existing 385-ton absorption chiller with a new 600-ton electric chiller and make other improvements, including intertie repair that would allow the operation of the proposed 600-ton electric chiller in the baseline operating mode and three existing absorption chillers in the peaking mode.

Please see attached for ED's opinion.



Chiller Fuel Switching at Healthcare PGE V3.docx

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