

From: Dietz, Sidney
Sent: 9/27/2010 10:33:09 AM
To: 'matthew.tisdale@cpuc.ca.gov' (matthew.tisdale@cpuc.ca.gov)
Cc:
Bcc:
Subject: Savings comparison

Matthew --

I'm sorry. I thought I had sent this, a response prepared by Shilpa. Please let me know if you would like to talk about this, we could get on the phone together and call you if that would be convenient for you.

yours,

sid

Matthew,

There are two drivers for the difference in savings between 2008 and 2009: DEER changes and less lighting (primarily CFLs).

We did a comparison of the 2008 savings with 2005 DEER and 2008 DEER (which underlies the 2009 savings report). For our stellar savings year 2008, the switch to the more recent DEER causes an approximately one-fourth reduction in kW savings, one-third reduction in kWh savings, and three-fourths reduction in therm savings (includes the introduction of negative interactive effects). Since it is difficult to run 2009 savings in both sets of DEER due to the changes to measure mapping and codes, running the 2008 year with both sets of DEER allows us to see the single effect of updating DEER on our savings.

Then, we looked at our 2009 savings. When our 2008 and 2009 savings are run net (even though the goals are gross for 2009) and with the 2008 DEER assumptions, our electric savings are approximately 45% lower and our gas savings are approximately 80% higher in 2009 when compared to 2008. When we looked at this comparison more closely, we see that one of the main drivers is the amount of lighting measures (primarily CFLs) we delivered. Our lighting measures were two-thirds lower in 2009 than 2008. We also had a reduction in volume due to the poor economy which reduces customer commitments for large projects. We saw an increase in gas savings due to the interactive effects from lower delivery of electric programs.

So yes, the DEER change itself has a significant effect and then the lower volume of primarily lighting has a compounding effect on the reduction of savings in 2009 when compared to 2008.

Do I seem terse? Blame the thumb keyboard.