

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking to Examine the
Commission's Post-2008 Energy Efficiency
Policies, Programs, Evaluation, Measurement,
and Verification, and Related Issues.

Rulemaking 09-11-014
(Filed November 20, 2009)

**WOMEN'S ENERGY MATTERS
COMMENT ON PROPOSED DECISION ON EM&V**

October 18, 2010

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Women's Energy Matters (WEM) appreciates this opportunity to comment on the September 28, 2010 Proposed Decision on EM&V.

WEM is grateful that the Commission recognizes:

California is now being served by a multitude of energy efficiency programs. In addition to the Commission's energy efficiency programs, energy efficiency services are being provided through the American Recovery and Reinvestment Act (ARRA), local governments and private entities, and building and appliance standards. Each of these services is provided by an independent administrator with its own funding mechanism, program structure, and performance metric. This presents new challenges for EM&V. PD, p. 7.

The EM&V policy framework needs to change. The PD states that changes have been made over the past few years, but WEM's view is that it has remained mired nevertheless in the shareholders incentives disputes. As long as the Commission continues to focus on utility profits above all else, these disputes will continue — and “attribution disputes” will just be part of that. The PD notes that attribution disputes would inhibit success.

There are far more pressing issues than how much credit – and profits - utilities should get: determining how to make EE really count as a fully integrated part of the energy system. Progress towards that goal remains disappointing, although this decision hints at improvements in the future.

However, the PD veers off into endorsing ever more abstract modeling, attempting to better characterize markets and consumer patterns.

WEM Recommends:

- Correct misstatement in §3.2.1: “...parties find the EM&V objectives adopted by D.09-09-047 to be well suited to guide future EM&V efforts...” On the contrary, WEM found the EM&V objectives in D0909047 lacking in many respects, particularly in their lack of attention to measurement of grid impacts of EE.
- Prioritize funding for monitoring grid impacts and determining how to better use EE to reduce the cost of energy. This would do more to develop EE markets than abstract assessment of consumer behavior and markets — which should receive minimal funding.

- Explicitly eliminate funding for CALMAC if a new California EM&V Forum or “Working Group” is established.
- Take note of WEM’s contributions to the EM&V discussion. The Commission will just look silly for ignoring the issues WEM raised. People are already wondering how long the Commission will pretend that the *New England ISO Manual for Measurement of Demand Resources* has no relevance here.
- Change this statement: “The EM&V applied to the IOU 2006-2008 programs focused on measuring energy savings for the purpose of offsetting or deferring the need for new resource procurement.” PD, p. 28. Change to: “The EM&V applied to the IOU 2006-08 programs focused on measuring energy savings to determine whether they were real, primarily for the purpose of providing profits for utilities, and secondarily to reduce demand in a very general way.”

Discussion

3.2.1 Should EM&V Objectives be amended?

The PD misspeaks in the following statement:

3.2.1. Should the Commission’s EM&V Objectives be Amended and, If So, How?

With one exception, parties find the EM&V objectives adopted by D.09-09-047 to be well suited to guide future EM&V efforts. The exception debated by parties was how the Commission’s Market Assessment objective could be better aligned with the objectives of the Strategic Plan. PD, p. 15.

WEM found the EM&V objectives in D0909047 lacking in many respects, particularly in their lack of attention to measurement of grid impacts of EE. The Commission should prioritize funding for monitoring grid impacts and determining how to better use EE to reduce the cost of energy. This would do more to develop EE markets than abstract assessment of consumer behavior and markets.

The PD stated that the only objective parties disagreed on was Market Assessment. WEM warned the Commission it could waste a lot of money on this type of research. Market Assessment will ever remain fuzzy — even more so in the midst of the current massive market disarray, where patterns have been disrupted and the unexpected is the main feature of what we can expect.

Much of what the Commission might hope to achieve in these areas could probably be accomplished better and cheaper by existing Market Research tools and

professionals, rather than reinventing the wheel. Creating more demand for EE does not require creating a new field of study.

3.2.4 What can California learn from other regions?

The PD mentioned the “Northeast” and “New York” — which might or might not be oblique references to WEM’s comments on the *New England ISO Manual for Measurement of Demand Resources* how Con Edison uses energy efficiency to defer and displace specific distribution upgrades and energy demand.

However, neither is discussed in the decision. California is losing a great deal by having a Commission that refuses to look at mainstream EM&V developments that are so vital to address climate change.

The PD states:

The EM&V applied to the IOU 2006-2008 programs focused on measuring energy savings for the purpose of offsetting or deferring the need for new resource procurement. PD, p. 28.

This is a troubling statement. EE currently has no ability to offset or defer any specific resources, since it is disembodied. *The location of EE resources must be revealed in order to do that.* In reality, the 2006-08 EM&V focused on measuring energy savings to determine whether they were real, primarily for the purpose of providing profits for utilities.

The PD mentions in passing that energy efficiency impacts might have something to do with procurement – *someday*. There needs to be much more specificity to make this real, but at least this is a start:

EM&V activities that enable the Commission and the IOUs to improve their assessment of energy efficiency impacts for use in demand forecasting (and ultimately procurement) should be undertaken by the Commission. This decision acknowledges the importance of EM&V and related activities that accurately reflect impacts on demand, ensure that efficiency will displace conventional generation, and will be used as the first resource in California’s “loading order.” PD, p. 31 (emphasis added).

California EM&V Forum/Working Group

WEM agrees that, “the Commission should facilitate and staff a process for the on-going improvement of the Commission’s existing EM&V rules and processes.” PD, p. 23.

However, the Commission should make this a public process, and make sure it's not controlled by utilities.

Meanwhile CPUC should quit providing any funding for CALMAC, a utility-run club for doing similar things. It would be duplicative and wasteful to fund both. (We note that CALMAC was not mentioned in the decision.)

3.2.5 Technological Innovations, eg. AMI

Smart Meters are being deployed under the pretext that they will contribute to energy efficiency. The Commission should focus on whether and how this will really happen, and suspend deployment of the meters until it has a better understanding of this issue and the other problems that are causing consumer rejection of the technology.

4.3.2 Attribution.

The PD envisions looking at attribution of specific measures. The PD admits that attribution has grown “increasingly difficult.” PD, p. 29. Not only that, but it will be very expensive to sort out who funded what and who performed what tasks that led to savings. Ratepayer money is being combined with federal stimulus money and other funds on specific projects and measures that are administered and conducted by a multitude of parties.

The PD devotes no real thinking to how to determine attribution. *WEM noted at the All-Party Meeting on EnergyUpgradeCA that an Energy Division spokesperson announced that the Commission plans to award 100% credit for dual-funded programs to utilities. So the Commission has “solved” the problem of attribution.*

The PD questions whether precision is important. PD, p. 29. This is a slippery slope, but in terms of utility profits, it probably wouldn't matter. The Commission is determined to give EE profits to utilities, so it should forget about tying them to EM&V. Forget about attribution. Sooner or later, the Commission will have to face the fact that the RRIM is an artifact of another era.

Conclusion

Relieved of the RRIM, EM&V could flourish in a whole new way. Precision in measuring grid impacts would be very important. These concepts are only beginning to

be hinted at in this decision. We look forward to them becoming more central in the future.

Dated: October 18, 2010

Respectfully Submitted,

/s/ Barbara George

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**CERTIFICATION OF SERVICE
R0911014**

I, Barbara George, certify that on this day October 18, 2010 I caused copies of the attached WOMEN'S ENERGY MATTERS COMMENT ON PROPOSED DECISION ON EM&V to be served on all parties by emailing a copy to all parties identified on the electronic service list provided by the California Public Utilities Commission for this proceeding, and also by efilng to the CPUC Docket office, with a paper copy to Administrative Law Judge Darwin E. Farrar, and Presiding Commissioner Dian Grueneich.

Dated: October 18, 2010 at Fairfax, California.

/s/ Barbara George

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