

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)

**THE DIVISION OF RATEPAYER ADVOCATES' COMMENTS
IN RESPONSE TO ASSIGNED COMMISSIONER'S RULING
SOLICITING COMMENTS**

DIANA L. LEE
Attorney for the Division of Ratepayer
Advocates

California Public Utilities Commission
505 Van Ness Ave.
San Francisco, CA 94102
Phone: (415) 703-4342
Fax: (415) 703-4432
E-mail: dil@cpuc.ca.gov

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I. INTRODUCTION

The Division of Ratepayer Advocates (DRA) submits the following comments as provided for in the "Assigned Commissioner's Ruling Soliciting Comments" (ACR) issued on November 17, 2010. The ACR invites comments on the "Energy Division White Paper and Proposal on the 2010 Energy Efficiency Goals Update and Related Matters," which is attached to the ACR, and requests recommendations regarding the schedule for the Commission's establishment of post-2012 energy efficiency savings goals and other portfolio planning matters.

DRA applauds the decision to take a hard look at energy efficiency goals, and the best way to update those goals and achieve the goals of the long-term strategic plan. However, efforts to improve the current process for achieving energy efficiency savings should consider a more fundamental question: whether, nearly six years after the adoption of an administrative structure that placed Pacific Gas and Electric Company, Southern California Edison Company, Southern California Gas Company, and San Diego Gas & Electric Company in the role of program administrators, that administrative structure is delivering the energy efficiency savings that ratepayers should expect, given the billions of dollar they are investing in energy efficiency. DRA believes that it is time to take a look at other options that limit the role of the Utilities in delivering energy efficiency programs, such as third party administration. With that basic caveat, DRA responds to some of the questions posed by the ACR.

II. DISCUSSION

DRA's responses to some of the questions in the ACR are set forth below. DRA has not responded to all of the questions or subparts, but reserves the right to comment on those questions in its reply comments.

DRA generally agrees with the pros and cons of Options A and B in the White Paper, but based on the record to date, is not prepared to support either continuation of the current three-year cycle or moving to a four-year program cycle on a permanent basis. DRA does support extending the current program cycle for one more year, through 2013, to allow a more considered update of the goals and to allow better planning overall.

Most recently, in comments on the Proposed Decision on Evaluation, Measurement and Verification of California Energy Efficiency Programs, DRA recommended a bridge funding year to allow the Utilities to better integrate the results of the plan into the next program cycle.¹ It appears likely that in order to allow adequate time for the goals study and other foundational work to take place, an additional year would be necessary. DRA supports the more in-depth look at energy efficiency and goals that would be possible with a longer time frame. It is important for the Commission to expand the current approach to energy efficiency to capture potential savings beyond the current utility-administered programs.

It would be less disruptive to ongoing programs, especially those implemented by local governments, to know that now and plan accordingly, rather making that determination at the end of the program cycle as happened for the 2009 bridge funding year. If the Commission decides to extend the 2010-2012 program cycle, the Utilities should be required to recommend programs that should not be extended for an additional year because they are not delivering savings as planned.

DRA repeats its recommendation that the Commission develop a roadmap of all energy efficiency activities, and to prioritize the ones it believes are most important, to allow the most efficient planning and best use of stakeholder and Commission resources.²

DRA supports improving the cost effectiveness tests so that they better reflect the value of long-term energy savings³ as well as the decay of short-term savings associated with compact fluorescent lamps (CFLs).⁴ DRA agrees that cost-effectiveness tests are “one element of the

¹ DRA Comments on EM&V PD, October 18, 2010.

² The Division of Ratepayer Advocates’ Reply Comments in Response to the Assigned Commissioner’s Ruling and Scoping Memo, Phase I, June 18, 2010 in R.09-11-015, p. 4 (“Although the parties express different priorities, the divergence in these priorities illustrates the need for the Commission to determine which of them it considers most important, and to address those actions by prioritizing them in a formal roadmap.”)

³ Comments of the Division Of Ratepayer Advocates in Response to Administrative Law Judge’s Ruling Seeking Comments on 2010-12 Evaluation, Measurement, and Verification Issues, December 8, 2009, in A.08-07-021 et al. (“The Commission should consider cost-effectiveness methodologies for long-term strategic planning goals in the context of a stakeholder workshop process that allows for stakeholder input and results in a Commission decision. The process should include other DSM stakeholders in consideration of a consistent cost-effective methodology across energy programs, given whole-building, zero net energy strategies.”)

⁴ The Division of Ratepayer Advocates Comments in Response to Assigned Commissioner’s Ruling Posing Questions in Response to Parties’ Comments, July 16, 2010, in R.09-11-014, p. 17, (“The decay of short-term lighting strategies that represented nearly 60% of the 2006-08 portfolio energy savings, and only lasted 2-3 years, has left California in an EE deficit. The cost of having to replace short-term savings should be factored in to a cost-effectiveness test that values comprehensive long-term energy savings.”)

analytical underpinnings for studies of efficiency potential and goals, are also important to portfolio development,”⁵ but disagrees with the White Paper’s characterization of cost-effectiveness as a “barrier”⁶ to improving energy efficiency programs. In fact, it appears more accurate to characterize the current energy efficiency administrative structure, which relies on Utilities who are ill-equipped to respond to challenges of the market place and require incentives in order to administer programs, as the barrier to delivering energy efficiency programs that meet the goals of the Commission’s Energy Efficiency Strategic Plan.

Respectfully submitted,

/s/ DIANA L. LEE

Diana L. Lee

Attorney for the Division
of Ratepayer Advocates

California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102
Phone: (415) 703-4342
Fax: (415) 703-4432
Email: dil@cpuc.ca.gov

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⁵ ACR, p.2.

⁶ Energy Division White Paper and Proposal on the 2010 Energy Efficiency Goals Update and Related Matters, p. 12.

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a copy of “**THE DIVISION OF RATEPAYER ADVOCATES’ COMMENTS IN RESPONSE TO ASSIGNED COMMISSIONER’S RULING SOLICITING COMMENTS**” to the official service list in **R.09-11-014** by using the following service:

E-Mail Service: sending the entire document as an attachment to all known parties of record who provided electronic mail addresses.

U.S. Mail Service: mailing by first-class mail with postage prepaid to all known parties of record who did not provide electronic mail addresses.

Executed on **December 3, 2010** at San Francisco, California.

/s/ ROSCELLA V. GONZALEZ

Roscella V. Gonzalez