

From: Ramaiya, Shilpa R
Sent: 3/17/2011 12:05:15 PM
To: Baker, Simon (simon.baker@cpuc.ca.gov)
Cc: Haramati, Mikhail (mikhail.haramati@cpuc.ca.gov); Redacted
Redacted; Redacted
Redacted

Bcc:
Subject: RE: negative therm statement

Simon,

Negative therm interactive effects are significant and factor into lighting and other measures (like refrigeration) in heated or conditioned space. The effect reduces both cost-effectiveness of measures and our ability to meet our therm goals. We're in a balancing act – we have to ensure we only perform on the electric side as much as our folks on the gas side can make up.

For example, in ED's 2009 Evaluation Report (released January 2011) year in which we significantly cut back on CFLs), the ED found that with interactive effects, the statewide therm achievement was 13 MMTherm and without interactive effects, the amount was 27 MMTherm (see page 34, Table 7). As you can see, this factor causes a large swing in savings and thus, cost-effectiveness. The ED found that there was a 54% increase in therm savings when interactive effects were not included.

In the ED's report, you'll also see that interactive effects eliminated all residential gas savings (implying that residential customers used more gas as a result of energy efficiency installations) (see page 24).

Negative therm interactive effects have been a very contentious issue. The IOUs have disagreed that the negative therm interactive effects are as significant as DEER and modeling calculations imply, but have been unsuccessful thus far. We have been ordered to use interactive effects as calculated in DEER by the CPUC.

I think Italy and France have both moved to energy efficiency goals based on carbon, instead of energy, so that the utilities can appropriately trade off gas and electric savings for least GHG impact.

Hope this helps. Let me know if you need more info. San Diego State University also did a study and found no noticeable therm interactive effects.

Shilpa

From: Baker, Simon [mailto:simon.baker@cpuc.ca.gov]
Sent: Thursday, March 17, 2011 10:27 AM
To: Ramaiya, Shilpa R
Cc: Haramati, Mikhail; [Redacted]; [Redacted]
Subject: RE: negative therm statement

Shilpa,

I would think that the issue raised below by Mikhail Haramati (ED, LMT lead) appears to be broader than just LMT. What is PG&E's policy rationale for inclusion of negative therms hampering PG&E's ability to run lighting programs? Is this really a barrier to PG&E moving forward aggressively with high-efficiency lighting programs?

Best,

Simon Eilif Baker

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415-703-5649

From: Haramati, Mikhail
Sent: Wednesday, March 16, 2011 12:39 PM
To: [Redacted]
Cc: Baker, Simon
Subject: negative therm statement

Dave, thanks for speaking with me just now regarding LMT check-in meetings. I am, however, troubled

by one of the statements you made and want to make sure I understand correctly.

In response to discussion about PGE's effort towards LMT so far, you stated that the accounting of negative TH savings is preventing PGE from going as far as is needed to transform the lighting market. You had asked me to see if there's anything ED can do in this area since the inclusion of negative therms is hampering PGE's ability to run lighting programs.

Can you confirm whether I've understood this correctly?

Thanks,

Mikhail

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