

**Attachment B:**

**NRDC E-Mail to Mr. Colvin, October 18, 2012**

**From:** Wang, Devra  
**Sent:** Thursday, October 18, 2012 11:10 AM  
**To:** 'Colvin, Michael'  
**Cc:** Martinez, Sierra  
**Subject:** 2010 EE incentives & savings

Hi Michael,

In response to your question about 2010 EE portfolio performance, here are the data and sources that we looked at:

1. 2010 reported savings exceeded the CPUC's 2010 goal overall, achieving an average of 154% of goals. Reported savings were 202%, 167%, and 92% of CPUC goals for GWh, MW, and MMTh, respectively. (Source: EEGA, IOU Annual Reports, Table 1, 2010)
2. Utility reported savings for 2009 and 2010 are summarized in the following table, which shows that on an "apples to apples" basis electric savings in 2010 were higher than 2009, and natural gas savings were lower:

	GWh	MW	MMTh
2009	3,770	700	53
2010	4,607	837	45
Percent Change	+22%	+20%	-15%

Source: EEGA, IOU Annual Reports, Table 1 (2009, 2010)

3. The net benefits associated with the 2010 program year is estimated to be \$1 billion. This is based on a PEB calculation of 2/3 TRC plus 1/3 PAC, with \$831 million of TRC net benefits and \$1.4 billion of PAC net benefits. (Source: EEGA, IOU Annual Reports, Table 4, 2010)

With regards to the question of the persistence of savings over time, the Commission's incentive mechanism in the mid-1990s awarded earnings on an ex-post basis spread out over time. In D.05-10-041 the Commission adopted a settlement agreement between DRA (then called ORA) and the utilities to consolidate the claims. That decision included a review of the retention/persistence studies. ([http://docs.cpuc.ca.gov/published/Final\\_decision/50689.htm](http://docs.cpuc.ca.gov/published/Final_decision/50689.htm)) Going forward, we expect that the Commission will continue to undertake EM&V studies to inform the various metrics that influence how long savings are counted for, including "effective useful lives."

Please let us know if you have any questions. This email will be sent to the service list today in NRDC's ex-parte notice.

Best,  
Sierra and Devra