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Sent: 7/30/2013 12:09:21 PM  
To:  
Cc: Morgenstern, Joy (joy.morgenstern@cpuc.ca.gov)  
Bcc:  
Subject: Soliciting Informal Comments on a Societal Cost Test

To all parties in R.09-11-014, A.12-07-001 et al, R.07-01-041, A.11-03-001 et al, A.11-05-017, and R.12-11-005:

Thank you to those who attended the Societal Cost Test workshop on June 13. The updated presentation and proposal can be found at the EE Cost-effectiveness website (<http://www.cpuc.ca.gov/PUC/energy/Energy+Efficiency/Cost-effectiveness.htm>) under “Workshops and Related Materials.” As noted during the workshop, we would like to solicit informal comments on the concept of the societal cost test and on the methodologies presented. Comments do not need to be in any particular format, though please consider the following questions in your responses:

- Do you believe the Commission should consider adopting a societal cost test, or are the existing cost-effectiveness tests sufficient to evaluate the cost effectiveness of the IOU demand-side programs?
- If you believe the existing tests are sufficient and that a societal cost test is NOT needed, then do you believe there are elements of the proposal that should be considered in existing cost-effectiveness tests? If so, please state which tests and provide the rationale, analysis, and criteria to support this position.
- If you believe a societal cost test is needed, how do you see a societal cost test fitting into the Commission’s existing demand-side resource cost-effectiveness framework? How should it be used in evaluating demand-side programs?
- Do you believe a societal cost test should be developed for all demand-side resources or only specific resources? If the latter, which one(s)?
- Should a societal cost test use the utility weighted average cost of capital, or should it use a social discount rate? If you believe that it would be appropriate to use a social discount rate in a societal cost test, what criteria should be used to determine the appropriate discount rate? Is the range of discount rates provided in the E3 presentation appropriate based on the criteria? Do you have a point estimate recommendation?

- Should the CPUC develop an avoided cost value of avoided carbon impacts beyond the current and projected ARB Cap and Trade program carbon price? If so, what criteria should be used to determine the appropriate value for the avoided cost? Is the avoided cost range provided in the presentation appropriate based on the criteria? Do you have a point estimate recommendation?
- Is it appropriate to include the avoided environmental health costs associated with reductions in local pollutants in the societal cost test? If so, what criteria should be used to determine the value of the avoided costs? Is the avoided cost range provided in the presentation appropriate based on the criteria? Do you have a point estimate recommendation?

Please provide your informal comments by Monday, September 16. Comments can be posted to the Commission's Public Documents Area website (<http://www.energydataweb.com/cpuc/home.aspx>). Each commenter will need to register for a free account in order to post comments. Please use the search tab to find the "Societal Cost Test E3 Presentation" so that your comments will be attached to the document. If you have any questions regarding how to use the Public Documents Area website, please contact Katie Wu ([katie.wu@cpuc.ca.gov](mailto:katie.wu@cpuc.ca.gov)).

Thanks,

Katie

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