

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to Integrate
and Refine Procurement Policies and
Consider Long-Term Procurement Plans.

Rulemaking 13-12-010
(Filed December 19, 2013)

**REPLY COMMENTS OF ENERNOC, INC. ON
DECEMBER 18, 2013 WORKSHOP MATERIALS**

January 15, 2014

Mona Tierney-Lloyd
Director, Western Regulatory Affairs
EnerNOC, Inc.
P.O. Box 378
Cayucos, CA 93430
Telephone: (805) 995-1618
Facsimile: (805) 995-1678
E-mail: mtierney-lloyd@enernoc.com

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EnerNOC, Inc. (EnerNOC) respectfully submits these Reply Comments to the Opening Comments served by various parties on January 8, 2014. These Reply Comments are filed and served pursuant to the Commission's Rules of Practice and Procedure and the 12-19-13 ALJ's Ruling, which included the direction to file these Comments in R.13-12-010, the "successor proceeding" to R.12-03-014.

**I.
SEVERAL PARTIES SHARE ENERNOC'S CONCERN THAT THE
STANDARDIZED PLANNING ASSUMPTIONS ARE TOO CONSERVATIVE.**

In its Opening Comments, EnerNOC recommended that the Commission require that the 2014 LTPP Standardized Planning Assumptions (SPA) be adjusted to include a range of potential demand response (DR) scenarios, including a high, mid-range, and low forecast, as was done in the 2012 LTPP. The mid-range would assume a 20% increase over current load-impact protocol levels; the low forecast would assume existing DR capacity, as measured by the load impact protocols; and the high forecast would assume a 30% increase over current DR levels. These assumptions, as explained further below, are still conservative and will provide a range of resource needs depending upon the DR scenario assumptions. The high forecast should be used in the Expanded Preferred Resources Scenario.¹

¹ EnerNOC Opening Comments, at p. 2.

In their Opening Comments, several parties shared EnerNOC’s concern that the SPA was too conservative, especially as it relates to the Expanded Preferred Resources Scenario.² Parties requested that the Expanded Preferred Resources Scenario be prioritized over other scenarios, such as the High Load Scenario.³ Many parties expressed concern that none of the scenarios explored compliance with the greenhouse gas reduction requirements resulting from the passage of AB 32.⁴

EnerNOC agrees. Not only should the Expanded Preferred Resources Scenario be included as one of the scenarios analyzed for the 2014 LTPP, it should include “expanded preferred resource” assumptions, including an achievement of the greenhouse gas reduction goal. As part of that analysis, expanded demand response (DR) capabilities,⁵ such as those proposed by EnerNOC,⁶ should be included in the analysis. A static assumption for DR over a 10-year period is inconsistent with the preferred resources loading order, achievement of greenhouse gas reduction goals, and even the concept of an Expanded Preferred Resources Scenario.

II.
TRACK 1 PROCUREMENT AUTHORIZATION
SHOULD BE FACTORED INTO THE ANALYSIS.

EnerNOC agrees with Pacific Gas & Electric Company’s (PG&E’s) and Southern California Edison Company’s (SCE’s) comments that the 2012 LTPP Track 1 authorization should be included in the analysis.⁷ Energy Division Staff suggested at the workshop that 2012 LTPP Track 1 procurement would be included in the analysis, but not the authorization. The

² Center for Energy Efficiency and Renewable Technology (CEERT) Opening Comments, at p. 3.

³ Natural Resources Defense Council (NRDC) Opening Comments, at p. 4.

⁴ California Environmental Justice Association (CEJA) Opening Comments, at p. 5; Vote Solar Initiative (VoteSolar) Opening Comments, at p. 2; Union of Concerned Scientists/Sierra Club (UCS/SierraClub) Joint Opening Comments, at pp. 1-6; California Wind Energy Association (CalWEA) Opening Comments, at pp. 1-2; Large-Scale Solar Association (LSA) Opening Comments, at p. 2.

⁵ Pacific Gas & Electric Company (PG&E) Opening Comments, at p. 12.

⁶ EnerNOC Opening Comments, at pp. 1-8.

⁷ PG&E Opening Comments, at p. 11; SCE Opening Comments, at pp. 2-3.

procurement authority has been granted in the Track 1 LTPP Decision (D.13-02-025). It is just a matter of timing before the procurement occurs, with reasonable certainty. In fact, SCE has already issued a request for offer (RFO) for preferred resources as a result of that authorization. Therefore, it is reasonable to include the authorization into the analysis at this time.

III. CERTAIN COMMENTS BY SDG&E AND PG&E MUST BE REJECTED.

San Diego Gas & Electric Company (SDG&E) states in its Opening Comments that there are resources that exist and resources that are non-existent. SDG&E recommends that the 2014 LTPP analysis should only consider the resources that exist in the base case.⁸

EnerNOC disagrees and recommends that the Commission reject SDG&E's position as unreasonably over-estimating the need on the system in the future. By including only existing resources and making no assumptions as to the resources that are likely to be developed over the study period, the base case would result in a resource need that is unnecessarily inflated. The result would not be useful for planning purposes as it would significantly over-estimate need.

PG&E states that the scenarios that should be emphasized are the high load and the trajectory scenarios.⁹ Further, PG&E states that obtaining greenhouse gas reductions should be at the lowest cost.¹⁰ EnerNOC recommends that the Commission focus on the trajectory scenario as well as the Expanded Preferred Resources Scenario since the attainment of greenhouse gas reductions is the law. It is not fair to single out one scenario and require that scenario to be the lowest cost scenario, when none of the other scenarios are being evaluated from a cost perspective. Further, any cost analysis must also incorporate the benefits of that scenario as well.

⁸ SDG&E Opening Comments, at pp. 3-4.

⁹ PG&E Opening Comments, at p. 2.

¹⁰ PG&E Opening Comments, at p. 3.

IV. CONCLUSION

EnerNOC reiterates its recommendations in its Opening Comments requesting examination of expanded DR scenarios. EnerNOC also supports the positions taken by several parties that the Expanded Preferred Resources Scenario be prioritized and analyzed in the 2014 LTPP and that the Expanded Preferred Resources Scenario contain “expanded preferred resources” assumptions. EnerNOC also agrees that the 2012 LTPP Track 1 Authorization should be included in the analysis of all scenarios.

However, SDG&E’s recommendation to use only existing resources in the base case analysis should be rejected as inflating need by ignoring resource additions that are reasonably likely to occur over that period of time. In addition, PG&E’s comments prioritizing the high load and the trajectory case should be revised to include the Expanded Preferred Resources Scenario. Further, the attainment of greenhouse gas reduction goals should not be required to be the lowest cost option, as any cost analysis must incorporate the commensurate benefits associated with achieving that target.

Respectfully submitted,

January 15, 2014

/s/ MONA TIERNEY-LLOYD

Mona Tierney-Lloyd
Director of Regulatory Affairs
EnerNOC, Inc.

P. O. Box 378
Cayucos, CA 93430
Telephone: 805-995-1618
Facsimile: 805-995-1678
Email: mtierney-lloyd@enernoc.com