

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**



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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)

**OPENING COMMENTS OF SAN DIEGO GAS & ELECTRIC COMPANY (U 902 M)
AND SOUTHERN CALIFORNIA GAS COMPANY (U 904 G)
ON THE PROPOSED DECISION**

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October 18, 2010

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**I.
INTRODUCTION**

Pursuant to the Rules of Practice and Procedure and the procedural schedule set for this proceeding, San Diego Gas & Electric Company ("SDG&E") and Southern California Gas Company ("SoCalGas") (collectively, the "Sempra Utilities") hereby file their Opening Comments on the Proposed Decision ("PD") in the above captioned proceeding.

**II.
COMMENTS**

The Sempra Utilities have read the PD with great interest and are overall quite pleased. It is clear from the text of the PD that the Commission has listened to, understood and responded to the concerns that many parties to the Energy Efficiency ("EE") Evaluation, Measurement and Verification ("EM&V") process have expressed, in good faith, over time concerning both the proper vetting of the antecedent studies that comprise and inform the current flawed EM&V process and the EM&V process itself. The Sempra Utilities are pleased that the PD puts in place a system that can allow for the resolution of methodological disputes on an intellectually rigorous basis by providing for transparency throughout the EM&V process, the results of which

should be useful for the Commission in reaching its EE and GHG goals with the most accurate data possible. In support of this goal the Sempra Utilities offer their brief suggestions.

A. DISPUTE RESOLUTION

The PD in Ordering Paragraph (“OP”) 6 requires a series of Workshops be held and lead by the Commission’s Policy and Planning Division to:

“...preparing the Commission’s Energy Efficiency Evaluation, Measurement and Verification Plan for the 2013 – 2015 energy efficiency program cycle.”

The PD also orders in OP 8 that through these workshops the Energy Division shall:

“develop the 2013 Energy Efficiency Evaluation, Measurement and Verification Plan for submission in this proceeding, to be used to evaluate, measure, and effectively verify the 2013 – 2015 energy efficiency programs.”

The Sempra Utilities appreciate the PD’s direction to provide a more open forum to prepare and develop EM&V plans. However, the PD would benefit from the inclusion of a clear method of dispute resolution concerning two issue areas.

First, due to the complexities of the issues involved there could reasonably be expected to be important matters that may not be resolved unanimously in the workshops. Second, while it is unclear how EM&V activity will relate to the Shareholder Incentive mechanism or the measurement of the Program Performance Metrics, experience teaches that the EM&V plan will have far reaching consequences for the Energy Efficiency programs statewide which could occasion disputes which the parties cannot resolve amicably among themselves. The PD is currently silent on how these issues will ultimately be resolved.

For this reason, the Sempra Utilities submit that for material issues that cannot, in good faith, be resolved through the workshops under the auspices of the Planning Division, there must be a final authority charged with making those final decisions and that this authority should,

eventually, rest with the Commission itself. This should be made clear in the Commission's final decision.

B. USE OF AGGREGATE IMPACT ASSESSMENT

The PD at Section 4.1.1 supports the:

“examination of Macro Consumption Metrics to assess the aggregate impact of the 2013-2015 energy efficiency programs on energy consumption.”

The Sempra Utilities believe that due to the complexities of measuring such a metric and because of the large number of influences that would impact such measurement, that it will add very little insight into the overall EM&V effort. However, if such an assessment is to be quantified, the Sempra Utilities must emphasize that such assessment should **not** be used in any way to evaluate the success or failure of any specific program or utility portfolio of programs. The use of such an assessment should only be used to provide very general directional information on the energy impact of overall state activities. Even then, such information must be used with caution since the results of this assessment will be vague, open to a wide variety of interpretations and extrapolated conclusions which, if experience is a teacher, will prove to be intractably controversial. This limited use of such an assessment should be made clear in the Commission's final decision.

C. FUNDING FOR ADDITIONAL EM&V ACTIVITIES

The PD calls for the upcoming EM&V workshops to be paid for out of monies drawn from the 2010-2012 EM&V budget authorized in D.10-04-029. Additionally, the PD calls for a number of other activities to be completed including: (1) evaluating Macro Consumption Metrics; (2) testing experimental design; (3) market transformation metrics; and, (4) AMI opportunities in EM&V.

The Sempra Utilities are quite concerned that this additional work will put substantial pressure on an already strained authorized budget for EM&V for the 2010-1012 program cycle. The approved budget is intended to provide funding for all of the Impact Evaluation work that must be done as well as the statewide process evaluation studies. In addition, the IOUs are also responsible for gathering and measuring data on a large number of Program Performance Metrics funding for which must also come out of the authorized budget. These requirements currently leave very little, if any, funding to accomplish some of the state's most important EM&V work, which is to perform local studies for IOU programs to enhance performance and customer service to improve savings.

If all of the additional work required of the IOUs in the current PD is to be done, the Sempra Utilities submit that additional funding be provided for these specific activities and that such funding not come from the budget currently authorized in D.10-04-029.

Respectfully submitted

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Dated: October 18, 2010

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a copy of the foregoing **OPENING COMMENTS OF SAN DIEGO GAS & ELECTRIC COMPANY (U 902 M) AND SOUTHERN CALIFORNIA GAS COMPANY (U 904 G) ON PROPOSED DECISION** on all parties of record in **R.09-11-014** by electronic mail and by U.S. mail to those parties who have not provided an electronic address to the Commission. Copies were also sent via Federal Express to Administrative Law Judge D. Farrar and Commissioner D. Grueneich.

Dated at Los Angeles, California, this 18th day of October, 2010.

/s/ Rose Mary Nava

Rose Mary Nava

CALIFORNIA PUBLIC UTILITIES COMMISSION **SERVICE LIST - PROCEEDING: R.09-11-014 - LAST CHANGED: OCTOBER 15, 2010**

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