



BEFORE THE PUBLIC UTILITIES COMMISSION OF THE
STATE OF CALIFORNIA

FILED

08-16-10
04:59 PM

Application of Southern California Edison)
Company (U 338-E) for Approval of its Palm)
Desert Demonstration Partnership Through the)
2010-2012 Energy Efficiency Program Cycle)

Application No. 10-07-004

REPLY OF SOUTHERN CALIFORNIA EDISON COMPANY (U 338-E) TO PROTESTS
OF ITS APPLICATION FOR THE PALM DESERT DEMONSTRATION
PARTNERSHIP THROUGH THE 2010-2012 ENERGY EFFICIENCY PROGRAM
CYCLE

JENNIFER TSAO SHIGEKAWA
LARRY R. COPE

Attorneys for
SOUTHERN CALIFORNIA EDISON COMPANY

2244 Walnut Grove Avenue
Post Office Box 800
Rosemead, California 91770
Telephone: (626) 302-2570
Facsimile: (626) 302-7740
E-mail: larry.cope@sce.com

Dated: **August 16, 2010**

TABLE OF CONTENTS

<u>Section</u>	<u>Title</u>	<u>Page</u>
I. INTRODUCTION.....		1
II. DISCUSSION		2
A.	SCE Will Work Collaboratively With Energy Division And Incorporate DRA’s Proposed EM&V Recommendations To Improve The Effectiveness Of The Partnership	2
B.	SCE Will Improve Documentation of Strategic and Technical Support Provided to Palm Desert	4
C.	The Partnership Supports The Goals of the California Long Term Energy Efficiency Strategic Plan.....	5
D.	SCE Will File An Errata To Its Palm Desert Application To Correct Identified Energy Savings Errors.....	6
III. CONCLUSION.....		7

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

Application of Southern California Edison)	
Company (U 338-E) for Approval of its Palm)	Application No. 10-07-004
Desert Demonstration Partnership Through the)	
<u>2010-2012 Energy Efficiency Program Cycle</u>)	

**REPLY OF SOUTHERN CALIFORNIA EDISON COMPANY (U 338-E) TO PROTESTS
OF ITS APPLICATION FOR THE PALM DESERT DEMONSTRATION
PARTNERSHIP THROUGH THE 2010-2012 ENERGY EFFICIENCY PROGRAM
CYCLE**

I.

INTRODUCTION

Pursuant to Rule 2.6 of the California Public Utilities Commission’s (Commission), Rules of Practice and Procedure, Southern California Edison Company (SCE) hereby submits this response to the August 3, 2010 Protest of the Division of Ratepayer Advocates (DRA Protest) and the August 6, 2010 Protest of The Utility Reform Network (TURN Protest) to Southern California Edison Company’s Application for Approval of its Palm Desert Demonstration Partnership for the 2010-2012 Energy Efficiency Program Cycle (Application). On July 2, 2010, in compliance with Decision (D.)09-09-047 and D.10-06-039, SCE submitted Application 10-07-004, requesting approval for the continued operation and funding for the Palm Desert Partnership (Partnership) from the end of the current bridge period through the 2010-2012 energy efficiency program cycle. In this Application, SCE requested approval to fund the continuation of the Partnership by shifting \$7.90 million in funds from the 2010-2012 budgets

previously authorized in D.09-09-047.¹ On August 3, 2010, the Division of Ratepayer Advocates (DRA) filed its Protest to Application 10-07-004. On August 6, 2010, The Utility Reform Network (TURN) also filed a Protest to the Application.

DRA's protest raises issues related primarily to the evaluation, measurement, and evaluation (EM&V) of the Partnership, as well as energy savings and other accomplishments of the Partnership. TURN's protest raises many of the same issues, and adds that the Partnership does not adequately support the goals of the Strategic Plan and zero net energy. SCE responds specifically to each of these issues below.

II.

DISCUSSION

A. SCE Will Work Collaboratively With Energy Division And Incorporate DRA's Proposed EM&V Recommendations To Improve The Effectiveness Of The Partnership

DRA's protest primarily focuses on concerns around the EM&V of the Partnership. DRA's Protest states, "DRA therefore recommends that the Commission not authorize the extension of SCE's participation in the Palm Desert Program or the expenditure of additional ratepayer funds unless the Commission's Energy Division determines that the Application adequately responds to issues raised in recent EM&V studies of the Palm Desert Program."² SCE shares many of DRA's concerns regarding EM&V and agrees EM&V is critical to ensuring that ratepayer funds deliver reliable energy savings as cost-effectively as possible. SCE believes that the June 2010 EM&V study³ did not accurately convey the value of the Partnership, for a

¹ The \$7.90 million is in addition to the \$3.47 million previously authorized for SCE in D.09-09-047,

² DRA Protest, p.2. *See also* p.9.

³ Palm Desert Partnership & Demonstration Program Implementation Assessment, by Summit Blue and Energy Market Innovations, June 1, 2010, available on <http://www.energydataweb.com/cpuc>.

variety of reasons that are documented in comments on the CPUC public documents website.⁴ SCE commits to working with Energy Division to improve the next evaluation cycle.

While SCE is in disagreement about the validity of the findings from the EM&V study, SCE understands the basis of DRA's concerns and commits to working with Energy Division to improve the program's impact and cost effectiveness.

Rather than using the Application as a medium of communication, SCE believes that the issues raised by the recent EM&V studies would be better addressed through a two-way dialogue with the Energy Division (ED). TURN and DRA both claim the Partnership has not demonstrated successful implementation or innovation, and that there was a lack of rigor applied to the program's design and demonstration.⁵ However, many of the issues stemmed from the lack of agreement on issues such as the definitions of "uniqueness factor," "lack of uniqueness" "new and innovative," and what constituted "benefits from the program that are above and beyond those that would have otherwise been attained without the Program," or "a greater level of rigor."⁶ Once SCE and ED are in agreement about success criteria, SCE commits to working with ED to address any outstanding issues that would pose barriers to program success.

DRA also states in its Protest that, "Only by integrating the results of EM&V studies into ongoing program design will ratepayers receive the full benefit of their energy efficiency investments."⁷ SCE fully agrees with the need to integrate results from both formative and summative evaluation studies into ongoing program design. SCE is currently collaborating with ED to jointly identify research needs for the 2010-2012 program cycle. The plans for the 2010-2012 Palm Desert Partnership process evaluation are currently being drafted by SCE and will be finalized in collaboration with ED, contingent upon Commission approval of the Partnership.

⁴ Draft Final Palm Desert Evaluation Report", posted 5/6/10, available at: <http://www.energydataweb.com/cpuc/home.aspx>.

⁵ TURN Protest, pp. 5-6. DRA Protest p.6.

⁶ DRA Protest p.2. *See also* TURN Protest, p.5.

⁷ DRA Protest, p.2.

SCE also commits to going one step further to integrate future EM&V needs into the program's operations. SCE believes that all parties would agree that the EM&V study of the 2007-2008 program suffered due to a late start at the end of 2009 and its ad hoc nature. Additionally, the evaluators used success criteria and metrics that were created after the 2007-2008 program had concluded and asked for documentation at a higher level of rigor than normally required from the program staff. As previously mentioned, SCE commits to engaging with ED to come to mutual agreement about the program's success criteria. Once the success criteria have been jointly identified, SCE commits to improving documentation to support the future evaluations along those criteria. SCE, with ED's approval, is currently undertaking the development of enhanced inspection plans for all energy efficiency programs including Palm Desert. SCE anticipates that many of the data issues identified in the two EM&V studies will be resolved upon instituting the enhanced inspection process.

DRA's Protest also proposes specific EM&V recommendations⁸ (in addition to the lessons learned in the EM&V reports) to be incorporated into the Partnership if the Commission decides to authorize extension and continued funding. SCE appreciates DRA's contribution of constructive and clearly stated recommendations for improving the program. SCE agrees with all six of DRA's recommendations and plans to adopt each of them if the Commission approves the continuation of the Partnership.

B. SCE Will Improve Documentation of Strategic and Technical Support Provided to Palm Desert

DRA and TURN state that SCE does not clearly describe its role in the development and implementation of AB 811, and implies the Partnership did not significantly influence this initiative.⁹ Contrary to DRA and TURN's claims, the EM&V study reports interviews with City staff who suggest that the Partnership staff played a critical role in AB 811: "City staff said that

⁸ Id. pp. 7-8.

⁹ DRA Protest, pp. 5-6. TURN Protest p.6.

while the city might have considered proposing such a measure independently, they would not have had the resources to push the legislation at the state-level. In addition, the Partnership program staff helped align the loan program with program measures.”¹⁰ SCE understands DRA and TURN’s underlying concern that these roles be made explicit and be documented. In addition to statements made by the City, SCE agrees that early documentation of SCE’s role, once it has been developed, would help Partnership stakeholders better understand and credit SCE’s contributions. SCE commits to working with ED to delineate what kinds of documentation would be acceptable for future evaluations to more clearly demonstrate this linkage.

TURN also comments that there is not a clear linkage between SCE and its support of the City of Palm Desert’s Office of Energy Management (OEM).¹¹ The OEM is the City of Palm Desert’s front-line interface with the community. While the OEM itself is not funded by SCE, SCE supports the personnel of OEM on an on-going and daily basis, and SCE and OEM are highly integrated in managing the Partnership. SCE works closely with OEM to provide information related to available incentives, potential energy savings, and the incentive application process, and ensure the incentive and loan programs are seamlessly integrated.

C. The Partnership Supports The Goals of the California Long Term Energy Efficiency Strategic Plan

TURN comments that the Partnership does not adequately advance the objectives of the California Long Term Energy Efficiency Strategic Plan (Strategic Plan) and zero net energy targets.¹² While SCE agrees it is essential for the portfolios as a whole to support the Strategic Plan, it is also important to note that pilots may also have other goals. D.09-09-047 states, “the purpose of a pilot project is to test a new and innovative concept, partnership, or program design

¹⁰ Palm Desert Partnership & Demonstration Program Implementation Assessment, by Summit Blue and Energy Market Innovations, June 1, 2010, p. 42, available on <http://www.energydataweb.com/cpuc>.

¹¹ TURN Protest, p. 7.

¹² Id. p.4.

that is intended to address a specific area of concern or gap in existing programs *or*¹³ to advance a Strategic Plan goal or strategy.”¹⁴ SCE notes that since the Partnership was initially developed prior to the development of the Strategic Plan, it was not originally designed to address these goals. However, in an effort to more closely align the 2010-2012 partnership with the new goals of the Strategic Plan, the Partnership has broadened its mission to include both Strategic Plan and zero net energy goals.

Specifically, one of the new focuses of the Partnership will be to promote the new Energy Upgrade California Program (whole house program) in the residential sector, which will serve to address Strategic Plan goals as well as support progress towards a vision of zero net energy. The energy surveys to be conducted in Palm Desert are being revamped to meet the Energy Upgrade California Program’s Customer Facing Outreach Survey criteria, which will educate customers about this new program and encourage them to participate. The Partnership will also be launching an aggressive marketing effort to support the Energy Upgrade California Program. Additionally, SCE’s Palm Desert Application includes other specific linkages between the proposed Partnership and six strategies of the Strategic Plan, as shown in Table III-6 of Exhibit SCE-3 and Table II-1 of Exhibit SCE-2.

D. SCE Will File An Errata To Its Palm Desert Application To Correct Identified Energy Savings Errors

DRA notes inconsistency between the Partnership’s energy savings included in SCE’s Application and the Partnership’s energy savings reported in the Government Partnerships Program Direct Impact Evaluation Report. SCE had identified errors in the energy savings reported in its Application and will file a forthcoming errata to correct such errors.

¹³ Emphasis added

¹⁴ D.09-09-047, dated September 24, 2009, p.48.

III.

CONCLUSION

SCE appreciates DRA and TURN's willingness to use data gathered from rigorous EM&V research to determine the value of a program. While SCE respectfully disagrees that the recent two EM&V studies were able to accurately capture the value of the 2007-2008 Palm Desert Partnership, SCE commits to working with ED to improve the program as well as future evaluations of the program, and believes its Application adequately demonstrates both the success of the pilot to date and a sound plan to successfully continue this program through the 2010-2012 cycle.

For the reasons stated above, SCE respectfully requests the Commission reject DRA and TURN's protests and approve Southern California Edison Company's Application for Approval of its Palm Desert Demonstration Partnership for the 2010-2012 Energy Efficiency Program Cycle.

Respectfully submitted,

JENNIFER TSAO SHIGEKAWA
LARRY R. COPE

/s/ Larry R. Cope

By: Larry R. Cope

Attorneys for
SOUTHERN CALIFORNIA EDISON COMPANY
2244 Walnut Grove Avenue
Post Office Box 800
Rosemead, California 91770
Telephone: (626) 302-2570
Facsimile: (626) 302-7740
E-mail: larry.cope@sce.com

August 16, 2010

CERTIFICATE OF SERVICE

I hereby certify that, pursuant to the Commission's Rules of Practice and Procedure, I have this day served a true copy of REPLY OF SOUTHERN CALIFORNIA EDISON COMPANY (U 338-E) TO PROTESTS OF ITS APPLICATION FOR THE PALM DESERT DEMONSTRATION PARTNERSHIP THROUGH THE 2010-2012 ENERGY EFFICIENCY PROGRAM CYCLE on all parties identified on the attached service list(s). Service was effected by one or more means indicated below:

Transmitting the copies via e-mail to all parties who have provided an e-mail address. First class mail will be used if electronic service cannot be effectuated.

Executed this **16th day of August, 2010**, at Rosemead, California.

/s/ Alejandra Arzola
Alejandra Arzola
Project Analyst
SOUTHERN CALIFORNIA EDISON COMPANY

2244 Walnut Grove Avenue
Post Office Box 800
Rosemead, California 91770



California Public Utilities Commission

[CPUC Home](#)

CALIFORNIA PUBLIC UTILITIES COMMISSION Service Lists

PROCEEDING: A1007004 - EDISON - FOR APPROVA
FILER: SOUTHERN CALIFORNIA EDISON COMPANY
LIST NAME: LIST
LAST CHANGED: AUGUST 6, 2010

[DOWNLOAD THE COMMA-DELIMITED FILE](#)
[ABOUT COMMA-DELIMITED FILES](#)

[Back to Service Lists Index](#)

Parties

LARRY R. COPE
SR. ATTORNEY
SOUTHERN CALIFORNIA EDISON COMPANY
2244 WALNUT GROVE AVE. / PO BOX 800
ROSEMEAD, CA 91770
FOR: SOUTHERN CALIFORNIA EDISON COMPANY

DIANA L. LEE
CALIF PUBLIC UTILITIES COMMISSION
LEGAL DIVISION
ROOM 4107
505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3214
FOR: DRA

Information Only

MRW & ASSOCIATES, LLC
EMAIL ONLY
EMAIL ONLY, CA 00000

ANDREA MORENO
SOUTHERN CALIFORNIA EDISON COMPANY
2244 WALNUT GROVE AVE., PO BOX 800
ROSEMEAD, CA 91770

CALIFORNIA ENERGY MARKETS
425 DIVISADERO ST. SUITE 303
SAN FRANCISCO, CA 94117

CASE COORDINATION
PACIFIC GAS AND ELECTRIC COMPANY
77 BEALE ST., PO BOX 770000 MC B9A
SAN FRANCISCO, CA 94177

State Service

DAVID M. GAMSON
CALIF PUBLIC UTILITIES COMMISSION
DIVISION OF ADMINISTRATIVE LAW JUDGES
ROOM 5019

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3214

[TOP OF PAGE](#)
[BACK TO INDEX OF SERVICE LISTS](#)