



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

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Application of Southern California Edison Company (U338E) for Approval of its 2009-2011 Energy Efficiency Program Plans and Associated Public Goods Charge (PGC) and Procurement Funding Requests And Related Matters	Application 08-07-021 Application 08-07-022 Application 08-07-023 Application 08-07-031
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**REPLY COMMENTS OF OPOWER ON THE PROPOSED DECISION REGARDING
THE EVALUATION, MEASUREMENT, AND VERIFICATION OF ENERGY
EFFICIENCY PROGRAMS FROM 2010-2012**

Pursuant to the Commission's Rules of Practice and Procedure, OPOWER submits these reply comments addressing the California Public Utilities Commission's ("Commission") Proposed Decision Regarding the Evaluation, Measurement, and Verification of Energy Efficiency Programs from 2010-2012 ("Proposed Decision").

OPOWER's comments focus solely on the approval of behavior based programs. In particular, OPOWER addresses inaccuracies in TURN's comments and expresses support for PG&E's comments related to commercial application of behavior based programs.

I. TURN's argument against counting behavior-based savings ignores the record.

In its comments, The Utility Reform Network ("TURN") recognizes that there is broad support for behavior-based programs in California, but claims that it is too early to count behavior-based savings. Although it is difficult to disentangle TURN's arguments, which largely rely on an inapplicable comparison to water conservation programs, it appears that TURN has

three primary criticisms of behavior-based efficiency: (1) that behavior-based programs are untested; (2) that the Proposed Decision lacks “record support”; and (3) that there is no “verified method” for counting savings from behavior-based programs. Each of these allegations is not only incorrect, but suggests that TURN has not read the record in this proceeding, including OPOWER’s prior submissions addressing each of these issues.

A. Behavior-based programs have been extensively tested.

Contrary to TURN’s claim that behavior-based programs are “untested,” (TURN Comments at 6), OPOWER’s behavior-based program has been repeatedly piloted and verified. (See Comments of OPOWER, December 8, 2010 at 6-7, Appendices B, C, and D). Summit Blue, an industry leading evaluation firm, has verified OPOWER’s impact in Sacramento. Professor Ian Ayers, of Yale University, has verified OPOWER’s impact with Puget Sound. Professor Hunt Allcott, of the Massachusetts Institute of Technology, has verified OPOWER’s savings with Connexus Energy. Moreover, Professor Allcott and Professor Sendhil Mullainathan of Harvard University recently published a peer-reviewed discussion of OPOWER’s approach in *Science*, the leading journal of the natural sciences.¹ Each evaluation has come to the same, simple conclusion: OPOWER’s behavior-based programs are a significant and cost-effective source of energy savings.

Other states that have analyzed this information have reached the same conclusion as the Proposed Decision. Both Minnesota and Massachusetts have allowed investor-owned utilities to count these savings towards their efficiency targets. Indeed, OPOWER’s behavior-based

¹ Allcott, Hunt and Sendhil Mullainathan. *Behavior and Energy Policy*. *Science*. March 2010. Available online at: <<http://web.mit.edu/allcott/www/Allcott%20and%20Mullainathan%202010%20-%20Behavioral%20Science%20and%20Energy%20Policy.pdf>> **Note:** While Summit Blue was paid for its evaluation of the SMUD program, neither Professor Ayers, nor Professor Allcott, nor Professor Mullainathan has received compensation of any sort from OPOWER or Puget Sound Energy.

program will account for 24% of the residential electric efficiency and 20% of the residential gas efficiency in Massachusetts from 2010 through 2012.

B. The Proposed Decision was supported by the record.

TURN claims that the Proposed Decision's "outcome lacks record support," (TURN Comments at 6) a claim that, in itself, ignores the record in this proceeding. As part of this proceeding, OPOWER filed comments on December 8, 2009, in response to the Commission's questions. These comments, and the accompanying attachments providing ample research and documentation acknowledging the validity and success of behavior-based programming, were so lengthy that they had to be sent out in two emails. In the comments, OPOWER described behavior-based programs, included extensive information about OPOWER's results with utilities both in California and elsewhere, and directly addressed the Commission's questions about how behavior-based savings can be measured. In addition, OPOWER offered the Summit Blue, Ayers, and Alcott studies as Appendices B, C, and D respectively. In short, there is a strong and extensive record -- one including three sources of independent evaluation -- supporting the Proposed Decision's acceptance of behavior-based savings.

C. There is a verified method for counting behavior-based savings.

TURN incorrectly states that there is "not yet a verified method for measuring results from behavior-based programs." (TURN Comments at 7). In fact, as OPOWER explained in its comments, both the American Council for an Energy Efficient Economy and the National Action Plan for Energy Efficiency recommend the use of experimental design. Far from being new or foreign, all the evaluation, measurement, and verification tools needed to count behavior-based savings are already contained in the California Energy Efficiency Evaluation Protocols. (*See* Comments of OPOWER, at 10-16; Appendix A). Moreover, this method has already been applied to behavior-based programs. Experimental design has formed the basis of the

PROOF OF SERVICE

I declare that:

I am employed in the County of Sacramento, State of California. I am over the age of eighteen years and am not a party to the within action. My business address is ELLISON, SCHNEIDER & HARRIS; 2600 Capitol Avenue, Suite 400; Sacramento, California 95816; telephone (916) 447-2166.

On April 5, 2010, I served the attached **REPLY COMMENTS OF OPOWER ON THE PROPOSED DECISION REGARDING THE EVALUATION, MEASUREMENT, AND VERIFICATION OF ENERGY EFFICIENCY PROGRAMS FROM 2010-2012** by electronic mail or, if no e-mail address was provided, by United States mail at Sacramento, California, addressed to each person shown on the attached service list.

I declare under penalty of perjury that the foregoing is true and correct and that this declaration was executed on April 5, 2010, at Sacramento, California.

/s/

Karen A. Mitchell

SERVICE LIST

A.08-07-021, -022, -023, -031

9watts@gmail.com
abesa@semprautilities.com
achang@efficiencycouncil.org
adam@agp-llc.com
aao@cpuc.ca.gov
agarcia@energy.state.ca.us
alex.kang@itron.com
aliddell@icfi.com
ameliag@ensave.com
andrew.mcallister@energycenter.org
andrew.wood3@honeywell.com
andrew_meiman@newcomb.cc
ann.kelly@sfgov.org
Ann.Peterson@itron.com
ann_mccormick@newcomb.cc
annette.beitel@gmail.com
ashish.goel@intergycorp.com
ashley.watkins@energycenter.org
asloan@rs-e.com
atencate@rsgrp.com
atr@cpuc.ca.gov
awatson@quest-world.com
awp@cpuc.ca.gov
bbarkett@summitblue.com
bernardo@braunlegal.com
bfinkelstein@turn.org
bhines@svlg.net
bill@jbsenergy.com
bkc7@pge.com
bmatulich@egia.com
bmcdonnell@mw2o.com
bmfinkelor@ucdavis.edu
bob.ramirez@itron.com
bobbi.sterrett@swgas.com
bobho@mid.org
brad.bergman@intergycorp.com
brbarkovich@earthlink.net
brian.hedman@cadmusgroup.com
bruce.foster@sce.com
Bruce@BuildItGreen.org
cadickerson@cadconsulting.biz
Case.Admin@sce.com
cassandra.sweet@dowjones.com
cbe@cpuc.ca.gov
CCole@currentgroup.com
cem@newsdata.com
CentralFiles@semprautilities.com
CentralFiles@semprautilities.com
cfl@cpuc.ca.gov
cfpena@sempra.com
cheryl.collart@ventura.org
chris@cuwcc.org

cjn3@pge.com
ckmitchell1@sbcglobal.net
clamasbabbini@comverge.com
Clark.Pierce@us.landisgyr.com
cln@cpuc.ca.gov
cneedham@edisonmission.com
cperkins@energycoalition.org
craigtyler@comcast.net
crogers@energy.state.ca.us
crv@cpuc.ca.gov
cscruton@energy.state.ca.us
cxc@cpuc.ca.gov
cyin@yinsight.net
dale@betterbuildings.com
darmanino@co.marin.ca.us
david.gordon@efm-solutions.com
David.Pettijohn@ladwp.com
david.reynolds@ncpa.com
david@nemtzow.com
Dbjornskov@peci.org
ddayton@cleanenergysol.com
devon@hartmanbaldwin.com
dgeis@dolphingroup.org
dil@cpuc.ca.gov
dmahmud@mw2o.com
dmahone@h-m-g.com
dmano@enasys.com
dmatson@co.santa-barbara.ca.us
dmg@cpuc.ca.gov
don.arambula@sce.com
donaldgilligan@comcast.net
dwood8@cox.net
edwardoneill@dwt.com
eemblem@3eintinc.net
efm2@pge.com
EGrizard@deweysquare.com
ehebert@energy.state.ca.us
elee@davisenergy.com
Elizabeth.DeSouza@csgrp.com
elowe@barakatconsulting.com
elvine@lbl.gov
emahlon@ecoact.org
emello@sppc.com
emily.hallett@positiveenergy.com
epetrill@epri.com
eric@ethree.com
etaylor@enasys.com
filings@a-klaw.com
fred.coito@kema.com
gandhi.nikhil@verizon.net
garrick@jbsenergy.com
gclayborn@gmail.com

ghamilton@gepllc.com
glw@eslawfirm.com
grant.cooke@intergycorp.com
gsenergy@sonoma-county.org
gstaples@mendotagroup.net
gthomas@ecoact.org
gtropsa@ice-energy.com
hankryan2003@yahoo.com
hayley@turn.org
hcf@cpuc.ca.gov
hgilpeach@scanamerica.net
hhuerta@rhainc.com
hoerner@redefiningprogress.org
hxag@pge.com
HYao@SempraUtilities.com
irene.stillings@energycenter.org
jack.rosenthal@p2seng.com
jak@gepllc.com
jane@autocell.net
janep@researchintoaction.com
jared@efficiencyfirst.org
jay.bhalla@intergycorp.com
jbazemore@emil.com
jbf@cpuc.ca.gov
jcastleberry@rs-e.com
jcelona@sbcglobal.net
jchou@nrdc.org
jci@cpuc.ca.gov
jcluboff@lmi.net
jdr@cpuc.ca.gov
jeanne.sole@sfgov.org
Jeff.Hirsch@DOE2.com
JeffreyH@hellermanus.com
jenna.canseco@us.kema.com
jennifer.fagan@itron.com
jennifer.porter@energycenter.org
Jennifer.Shigekawa@sce.com
jerryl@abag.ca.gov
jholmes@emil.com
jimflanagan4@mac.com
jimross@r-c-s-inc.com
jkz1@pge.com
jl2@cpuc.ca.gov
jlaun@apogee.net
jmeyers@naima.org
jnc@cpuc.ca.gov
jody_london_consulting@earthlink.net
john.cavalli@itron.com
john@enactenergy.com
john@proctoreng.com
John_Newcomb@newcomb.cc
joyw@mid.org
jparks@smud.org
js@clearedgepower.com
jsqueri@goodinmacbride.com

jst@cpuc.ca.gov
jtiffany@ase.org
judi.schweitzer@post.harvard.edu
jweil@aglet.org
jws@cpuc.ca.gov
jyamagata@semprautilities.com
Karin.Coffee@kema.com
kathleen.gaffney@kema.com
kdsusel@navigantconsulting.com
kecia.davison@csgroup.com
keh@cpuc.ca.gov
keith.mccrea@sutherland.com
kenneth.swain@navigantconsulting.com
kgrenfell@nrdc.org
kjk@kjkammerer.com
klewis@energy.state.ca.us
kmills@cfbf.com
ks3@cpuc.ca.gov
kshore@semprautilities.com
kwong@semprautilities.com
larry.cope@sce.com
Laura.Genao@sce.com
lcasentini@rsgroup.com
LDRi@pge.com
lettenson@nrdc.org
lhj2@pge.com
liddell@energyattorney.com
lisa_weinzimer@platts.com
ljimene@smud.org
lmh@eslawfirm.com
lp1@cpuc.ca.gov
lpark@navigantconsulting.com
LukeH@enasys.com
Mike@pge.com
magnuson.leif@epa.gov
marcel@turn.org
mary.tucker@sanjoseca.gov
Mary@EquipoiseConsulting.com
matt@sustainablespaces.com
matt_sullivan@newcomb.cc
mbaker@sbwconsulting.com
mbhunt@ucdavis.edu
mboccardo@dolphingroup.org
mclaughlin@braunlegal.com
mgillette@enernoc.com
mgo@goodinmacbride.com
mharcos@rs-e.com
mharrigan@ase.org
michael.cheng@paconsulting.com
michael@ecoact.org
michael@opower.com
michele@boggis.com
mike.rogers@greenhomesamerica.com
mike@calcerts.com
mistib@comcast.net

mkh@cpuc.ca.gov
mking@staplesmarketing.com
mlewis@ctg-net.com
mlong@anaheim.net
mmcguire@summitblue.com
mmoore@newportpartnersllc.com
mmw@cpuc.ca.gov
monica.ghattas@sce.com
mpa@a-klaw.com
mrw@mrwassoc.com
msherida@energy.state.ca.us
mtierney-lloyd@enemoc.com
mwbeck@lbl.gov
NancyKRod@conSol.ws
nes@a-klaw.com
nfw@cpuc.ca.gov
nhernandez@isd.co.la.ca.us
nkarno@yahoo.com
nlong@nrdc.org
norman.furuta@navy.mil
nphall@tecmarket.net
padib@apx.com
paul.notti@honeywell.com
pbarthol@energy.state.ca.us
pcanessa@charter.net
pcf@cpuc.ca.gov
pjacobs@buildingmetrics.biz
pk@utilitycostmanagement.com
pmschwartz@sbcglobal.net
policy.solutions@comcast.net
ppl@cpuc.ca.gov
pstoner@lgc.org
puja.deverakonda@positiveenergyusa.com
pvillegas@semprautilities.com
pw1@cpuc.ca.gov
pwuebben@aqmd.gov
rachel.harcharik@itron.com
rafi@pge.com
regrelcpcases@pge.com
rekl@pge.com
RemiT@hellermanus.com
rfox@intergycorp.com
richard@autocell.net
rita@ritanortonconsulting.com
rknight@bki.com
rlauman@ecosconsulting.com
rmccann@umich.edu
rmowris@earthlink.net
rnichols@navigantconsulting.com
rob@clfp.com
Rob@ConSol.ws
robertg@greenlining.org
rockybacchus@gmail.com
rsapudar@energy.state.ca.us
rscott@cheers.org

rsperberg@onsitenergy.com
slw2@pge.com
Sami.Khawaja@cadmusgroup.com
samsirkin@cs.com
samuelk@greenlining.org
saw0@pge.com
sbarata@opiniondynamics.com
sbender@energy.state.ca.us
sbeserra@sbcglobal.net
scott.bowman@csgpr.com
scott.tomashefsky@ncpa.com
sculbertson@icfi.com
sdhilton@stoel.com
sean.harrington@opower.com
sephra.ninow@energycenter.org
sesco@optonline.net
sharon@emeter.com
singh70@gmail.com
skihm@ecw.org
slda@pge.com
sls@a-klaw.com
snr@cpuc.ca.gov
southlandreports@earthlink.net
spatrick@sempra.com
srm@cpuc.ca.gov
SRRd@pge.com
sschiller@efficiencycouncil.org
ssmyers@att.net
staples@staplesmarketing.com
steve@greenplumbersusa.com
stevek@kromer.com
steven@moss.net
sthompson@ci.irvine.ca.us
susan.munves@smgov.net
swentworth@oaklandnet.com
tam.hunt@gmail.com
tconlon@geopraxis.com
tcr@cpuc.ca.gov
tcrooks@mcr-group.com
tcx@cpuc.ca.gov
TFlanigan@EcoMotion.us
thamilton@icfi.com
tim@marinemt.org
tlmurray@earthlink.net
tmfry@nexant.com
tom@ucons.com
tory.weber@sce.com
trh@cpuc.ca.gov
twayne@roadrunner.com
TWhite@homeenergy.org
vwood@smud.org
wblattner@semprautilities.com
wbooth@booth-law.com
wem@igc.org
wilkinson@es.ucsb.edu

william.sanders@sfgov.org
wjp4@bpconsulting.org
wmcguire@fypower.org
wwester@smud.org
wynne@braunlegal.com
yxg4@pge.com
zap@cpuc.ca.gov
ztc@cpuc.ca.gov

DENNIS J. HERRERA
CITY AND COUNTY OF SAN FRANCISCO
CITY HALL, ROOM 234
SAN FRANCISCO CA 94102

STEPHEN A. S. MORRISON
CITY & COUNTY OF SAN FRANCISCO
CITY HALL, SUITE 234
1 DR CARLTON B. GOODLET PLACE
SAN FRANCISCO CA 94102-4682

EILEEN PARKER
QUEST
2001 ADDISON STREET, STE. 300
BERKELEY CA 94704

ROBERT E. BURT
INSULATION CONTRACTORS ASSN.
4153 NORTHGATE BLVD., NO.6
SACRAMENTO CA 95834

DON MEEK
10949 SW 4TH AVENUE
PORTLAND OR 97219