

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)

**THE DIVISION OF RATEPAYER ADVOCATES' COMMENTS  
ON THE PROPOSED DECISION ON EVALUATION, MEASUREMENT AND  
VERIFICATION OF CALIFORNIA ENERGY EFFICIENCY PROGRAMS**

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**I. INTRODUCTION**

Pursuant to Rule 14.3 of the Commission's Rules of Practice and Procedure, the Division of Ratepayer Advocates (DRA) submits these comments on the "Proposed Decision on Evaluation, Measurement and Verification of California Energy Efficiency Programs." (PD). The PD would "establish the Commission's energy efficiency [evaluation, measurement and verification] EM&V objectives for post-2012 programs, identify challenges that must be addressed before those programs begin, and launch a series of workshops designed to address those challenges collaboratively and transparently. DRA supports the PD's goal of improving EM&V to better fit the current landscape of energy efficiency, because independent measurement and verification of energy efficiency programs are critical to ensuring that ratepayer funding produces cost effective energy savings and achieves the greenhouse gas reductions and other goals for energy efficiency programs. DRA is concerned that the proposed timing of the new EM&V plan may not allow for optimal program planning to achieve the best results. DRA recommends that the EM&V plan be released before program planning for 2013-2015 is completed rather than concurrently with the filing of those proposed programs, in order to better integrate the new plan into the next round of energy efficiency portfolios.

## II. DISCUSSION

### A. **The Commission should revise the PD to require submission of the 2013-2015 EM&V plan before the Utilities file their round of next energy efficiency portfolios.**

The PD acknowledges that “effectively preparing the Commission’s energy efficiency EM&V for post-2012 energy efficiency programs requires a dedicated effort supported by independent facilitators and technical expertise”<sup>1</sup> and directs the Commission’s Policy and Planning Division (PPD) to facilitate workshops to advance understanding of EM&V in the areas of market transformation metrics, macro consumption metrics, the scalability of experimental design, and the used of advanced metering infrastructure (AMI) data to improve data collection for EM&V.

The PD directs the Energy Division, working with PPD, to prepare the 2013-2015 Energy Efficiency EM&V Plan using the EM&V workshop series as the foundation for stakeholder collaboration. The PD explains that:

“The 2013-2015 Energy Efficiency EM&V Plan should explain in detail how each of the programs for which administrators seek ratepayer funding will be evaluated, measured, and verified, and identify areas of disagreement with the plan.”<sup>2</sup>

The PD requires that the “Energy Division shall serve the 2013-2015 Energy Efficiency Plan at the same time the IOUs file their 2013-2015 portfolio application.”<sup>3</sup>

Serving the 2013-2015 EM&V plan at the same time the IOUs file their 2013-2015 energy efficiency portfolios appears unlikely to promote the close linkage between EM&V and program planning that will yield the highest energy savings at the least cost. Moreover, the Utilities have repeatedly demonstrated their inability to adapt quickly to changes in the market place or the regulatory landscape, so serving the 2013-2015

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<sup>1</sup> PD, p. 32.

<sup>2</sup> PD, p. 32.

<sup>3</sup> PD, p. 32; Ordering Paragraph 11, p. 46.

EM&V plan at the same time they file their 2013-2015 energy efficiency portfolios will not likely optimize energy savings, greenhouse gas emission reductions, or progress toward achieving the goals of the California Energy Efficiency Strategic Plan. DRA therefore recommends that the Commission revise the proposed timing of the service of the 2013-2015 EM&V plan so that it is finalized and released before the Utilities file their Energy Efficiency Portfolio applications, even if that requires a year of bridge funding in order to allow completion of the workshop series and other work needed to finalize the EM&V plan before the next cycle of energy efficiency portfolios.

**B. DRA supports close examination of the market transformation metrics developed and successfully used by the Northwest Energy Efficiency Alliance to measure and promote market transformation.**

The PD acknowledges that “[m]arket transformation is a fundamental objective of the Strategic Plan and effective measurement of our progress toward achieving this objective is essential.”<sup>4</sup> While DRA (and TURN) support the use of the Northwest Energy Efficiency Alliance’s (NEEA’s) market transformation metrics to achieve and measure market transformation, the PD declined to adopt them at this time. Instead, the PD supports the use of Program Performance Metrics (PPM) as “objective, quantitative indicators of the progress of a program toward the Strategic Plan’s short and long-term market transformation goals and objectives.”<sup>5</sup>

DRA remains concerned about the Commission’s reliance on PPMs developed and submitted by the Utilities, who have demonstrated neither the interest nor the ability in effectively promoting market transformation. The PD recognizes:

“the merits of exploring alternatives and see benefit in directing PPD to include within the EM&V workshop series a review of NEEA’s market transformation metrics for potential application to California’s 2013-2015 program cycle as appropriate. Given that the record of this proceeding does

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<sup>4</sup> PD, p. 26.

<sup>5</sup> D.09-09-047, at 89.

not include an in depth analysis of specific metrics employed by NEEA, PPD should endeavor to include representatives of NEEA in the discussion.”

DRA supports the PD’s recognition that NEAA’s market transformation metrics may help California achieve its market transformation goals, and believes that a robust comparison of the NEAA market transformation metrics with the Utility-developed PPMs will be critical to achieving effective measurement of progress toward market transformation.

### III. CONCLUSION

DRA respectfully requests that the Commission modify the PD to require that the 2013-2015 EM&V plan be released before program planning for 2013-2015 is completed rather than concurrently with the filing of those programs, in order to better integrate the new plan into the 2013-2015 portfolios. The Commission should direct the Utilities to apply for bridge funding no later than July 31, 2012 to allow continued operation of energy efficiency programs between the filing of the 2013-2015 EM&V plan and the next cycle of energy efficiency portfolios.

Respectfully submitted,

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## Appendix A

### DRA Proposed Changes to Finding of Fact Conclusions of Law, and Ordering Paragraphs

#### **Finding of Fact**

4. Our current EM&V policy and methodological framework should be updated to reflect both the lessons learned from the 2006-2008 cycle and evolution in the regulatory and market landscapes, and the updated policy and methodological framework should be available for the Utilities to use in planning their next energy efficiency portfolio before those portfolios are filed.

#### **Conclusions of Law**

3. The EM&V workshop series should be the vehicle through which stakeholders prepare the 2013-2015 Energy Efficiency EM&V Plan including whether and how NEEA's experience can be leveraged to enhance our own PPMs.

#### **Ordering Paragraph**

11. Energy Division shall serve the 2013-2015 energy Efficiency Plan ~~at the same time before the~~ IOUs file their 2013-2015 portfolio applications, and the EM&V Plan should address whether and how NEEA's experience can be leveraged to enhance our own PPMs.

**CERTIFICATE OF SERVICE**

I hereby certify that I have this day served a copy of “**THE DIVISION OF RATEPAYER ADVOCATES’ COMMENTS ON THE PROPOSED DECISION ON EVALUATION, MEASUREMENT AND VERIFICATION OF CALIFORNIA ENERGY EFFICIENCY PROGRAMS**” in **R. 09-11-014** by using the following service:

**E-Mail Service:** sending the entire document as an attachment to an e-mail message to all known parties of record to this proceeding who provided electronic mail addresses.

**U.S. Mail Service:** mailing by first-class mail with postage prepaid to all known parties of record who did not provide electronic mail addresses.

Dated at San Francisco, California this **18th** day of **October, 2010**.

NANCY SALYER

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