



**FILED**

06-02-08

03:22 PM

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

Order Instituting Rulemaking to Examine the Commission's Post-2005 Energy Efficiency Policies, Programs, Evaluation, Measurement, and Verification, and Related Issues.

Rulemaking 06-04-010  
(Filed April 13, 2006)

**ASSIGNED COMMISSIONER AND ADMINISTRATIVE LAW JUDGE'S  
RULING SEEKING COMMENT ON DEFINITION OF  
ENERGY SAVINGS GOALS FOR 2009 THROUGH 2011**

In Decision (D.) 04-09-060, the Commission set annual and cumulative energy efficiency savings goals through 2013. One of the issues in the proceeding was whether the savings goals should be set on a gross basis, or should be net of free riders. The decision stated: "It is our understanding that the savings modeled in the potentials studies are net of free riders in the near-term, but that they become equivalent to gross savings as the net-to-gross ratio approaches 1.0 over the longer-term. Hence, we clarify that the savings goals we establish today through 2008 are net of free riders. We will revisit the issue of whether the savings goals for the outer years (2009-2013) truly reflect gross savings potential when we next update our savings potential studies."

(D.04-09-060, p. 33.)

In D.07-10-032, the Commission declared its intent not to change adopted energy efficiency savings goals for 2009 through 2011 in order to focus on the preparation of the energy efficiency strategic plan and 2009-2011 program portfolios. In that decision, the Commission did not address the definition of adopted goals as net or gross.

On May 29, 2008, Itron released the 2008 California IOU Potential Study. At this time, we are in the process of developing new savings goals for 2012 through 2020. As discussed in the Ruling of March 25, 2008 in this proceeding, Energy Division recommends a total market gross goal for IOU service territories to be used for procurement planning and carbon emissions regulation as well as to identify the realistic savings potential available for utility programs to tap into. The total market gross goal would represent the level of cumulative energy efficiency potential a) available between 2012 and 2020 within each IOU service territory, and b) able to be achieved through all reasonably measurable delivery channels including improvements in state and federal codes and standards, state legislative mandates, naturally occurring efficiency, and IOU voluntary programs (both resource acquisition and market transformation).

Comments have already been filed on the total market gross issue for 2012 through 2020. With the release of the 2008 California IOU Potential Study, now is the time to revisit the question of whether the goals for 2009 through 2011 should be gross<sup>1</sup> or net of free riders.

At the May 14, 2008 Prehearing Conference (PHC), ALJ Gamson established June 11, 2008 as the date for comments on the Itron Gas Goals Scenarios, the 2008 California IOU Energy Efficiency Potential Study and other topics discussed at the PHC. We will add the issue of whether 2009 through 2011 energy savings goals should be gross or net of free riders to the list of issues for

---

<sup>1</sup> For 2009 – 2011, the term “gross” refers to gross energy efficiency associated with utility programs, not total market gross. The term “net” is inclusive of “participant spill over,” exclusive of “free riders,” and not yet addressing the potential quantification of “market effects.”

comments on June 11, 2008. We anticipate that a proposed decision will be issued on this issue, and all other energy savings goal issues in this proceeding, by July 1, 2008.

**IT IS RULED** that parties may comment on the issue of whether 2009 through 2011 energy savings goals should be gross or net of free riders on June 11, 2008.

Dated June 2, 2008, at San Francisco, California.

/s/ DIAN GRUENEICH  
Dian Grueneich  
Assigned Commissioner

/s/ DAVID GAMSON  
David Gamson  
Administrative Law Judge

### **INFORMATION REGARDING SERVICE**

I have provided notification of filing to the electronic mail addresses on the attached service list.

Upon confirmation of this document's acceptance for filing, I will cause a hard copy of the filed document to be served upon the service list to this proceeding by U.S. mail. The service list I will use to serve the hard copy of the filed document is current as of today's date.

Dated June 2, 2008, at San Francisco, California.

/s/ TERESITA C. GALLARDO  
Teresita C. Gallardo