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Witnesses: Derek Olijar



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**Liberty Utilities®**

(U 933-E)

## **2019 General Rate Case**

Before the California Public Utilities Commission

### **Chapter 5: Public Purpose Programs**

Tahoe Vista, California

November 30, 2018

# Liberty CalPeco-05: Public Purpose Programs

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I.

**PUBLIC PURPOSE PROGRAMS**

**A. Energy Efficiency Program**

In October 2015, California Senate Bill 350, the Clean Energy and Pollutants Reduction Act, was signed into law, requiring statewide energy efficiency savings to double by 2030. Liberty CalPeco plans to change the energy efficiency programs to help our customers achieve this goal. Our enhanced programs will include improved educational outreach to show customers how to lower their energy costs by creating energy efficient homes and businesses.

Recorded expenses for the energy efficiency programs have remained steady with an average annual spend over the last two years of \$478,000. Since the start of our programs, Liberty CalPeco has experienced a shift in demand by program category type from when the programs were previously authorized. For example, the Public Schools Incentive Program was a huge success and required spending of \$198,000 in 2017 compared to authorized expenses of \$60,000. As a result, in order to adhere to authorized energy efficiency expenses, other programs were delayed or adjusted downward. Overall, the programs have succeeded in reducing annual energy usage by 2042 megawatt hours ("MWh") in 2016 and by 1,867 MWh in 2017. In addition, energy efficiency upgrades reduced the system demand by 663 kilowatts ("kW") and 1,095kW in 2016 and 2017, respectively. Liberty CalPeco anticipates similar savings going forward.

Due to the success of Liberty CalPeco's Energy Efficiency programs, Liberty CalPeco is forecasting an increase in annual program expenses for the 2019-2021 test years. Liberty CalPeco's annual forecast of \$791,000 is a \$320,000 increase from authorized expenses. The table below provides Liberty CalPeco's forecast by program category.

**Table I-1**  
**Energy Efficiency Programs Forecast**  
**2019 – 2021**

<b>Energy Efficiency Program</b>	<b>Annual Authorized</b>	<b>2019-2021 Annual Forecast</b>
Residential Energy Audits	\$115	\$265
Small Commercial Energy Audits	\$34	\$50
Energy Star Lighting	\$39	\$39
Refrigerator Recycling	\$33	\$42
Commercial Incentive Program	\$140	\$200
Public Schools Incentive Program	\$60	\$120
Appliance LED Rebate Program	\$50	\$50
Heat Pumps & HVAC Controls Rebates	\$0	\$25
<b>Total</b>	<b>\$471</b>	<b>\$791</b>

a) Residential Energy Audits

Residential Energy Audits provide education to customers on ways to become more energy efficient and save money on their electric bills. The residential audit provides a checklist of items to help evaluate energy use by that household. The checklist is reviewed by auditors with customers to show that household's energy use and offer energy saving recommendations specific to that household. The auditor also installs LED lights, water heater wraps and pipe insulation, low-flow shower heads, timers, aerators, and other energy saving measures at the time of the audit. The increase in expenses for this program is attributable to an increase in the forecasted number of audits. Liberty CalPeco will target 475 residential audits each year. The expected energy savings per year based on these audits is estimated at 710 MWh.

(1) Small Commercial Energy Audits

Small commercial audits are similar in scope to the residential audits, but they also include assisting customers in planning upgrade projects and providing technical support when needed. Liberty CalPeco's plan is to increase funding for this program to \$50,000 per year, which will allow Liberty

CalPeco to implement 50 small commercial audits a year. The expected energy savings per year based these audits is estimated at approximately 100MWh.

(2) Energy Star Lighting

Energy Star Lighting offers LED bulbs and LED night lights to customers at community events, targeted distributions, and partnerships with non-profit and government organizations. With the reduction in LED prices, Liberty CalPeco plans to distribute approximately 8,000 LEDs a year. The expected energy savings per year based on this program is estimated at approximately 350MWh.

(3) Refrigerator Recycling

Customer participation in the Refrigerator Recycling program is achieved through bill inserts, media outreach, community events, and marketing efforts at retail stores. Truckee Hometown Sears provides the recycling service and markets the program to customers receiving new appliances to recycle old inefficient refrigerators. Liberty CalPeco forecasts an annual recycling rate of 225 units. The expected energy savings per year based on this program is estimated at approximately 170MWh..

(4) Commercial Incentive

The Commercial Incentive program focuses on assisting larger commercial customers with planning, procuring, and implementing energy efficient upgrades by providing technical assistance. Customers are offered incentives for efficiency upgrades based on energy savings for the measures installed, such as lighting, cooling, kitchen equipment upgrades, pumping controls and refrigeration.<sup>1</sup> The enhanced outreach to Liberty CalPeco's larger commercial customers and increase in technical support will help customers achieve savings of approximately 1,500MWh and reduce demand by approximately 500 kW.

(5) Public School Incentive

The program provides school districts with energy audits, energy benchmarking studies, project alternative evaluations, and recommendations to assist in selecting and implementing cost efficient projects. In 2016, seven projects were completed for annual savings of 457.4MWh and demand savings of 173.3kW. The success of this program continued in 2017 by completing eleven projects, saving 859.2

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<sup>1</sup> See Workpapers for specifics on how incentives are calculated per customer.

MWh in annual savings and reducing demand by 316.2kW. Liberty CalPeco's forecast includes work planned with several smaller districts in the service territory that are in the process of planning energy efficient upgrades to schools.

(6) Appliance LED Rebate

The LED Rebate program will be advertised and marketed through bill inserts and other media to recruit customers to participate in the program when upgrading their qualified appliances. Liberty CalPeco's forecast includes at least 400 appliance rebates per year and will save approximately 85MWh of energy.

(7) Heat Pumps, Water Heating & HVAC Controls Rebate

Similar to the LED Rebate program, the rebates for heat pumps, water heating, and HVAC controls will be advertised and marketed through bill inserts and other media to recruit customers to participate in the program when upgrading their qualified appliances.

**2. Solar Initiative Program**

In D.16-12-024, the Commission approved the Solar Initiative Program ("SIP") to be a seed program with participation limited to residential and small commercial customers. The incentive was limited to offset a maximum of 10kW of solar system capacity, with the total capacity available for the two years of this approved program limited to 500kW. Based on the success of the initial program and interest from other customer groups, Liberty CalPeco plans to expand the program to include all customer groups with varying levels of incentive limits, as shown in the table below.

Table I-2 below shows the estimated incentive udbget decline proportionately to the capacity allotments for each year multiplied by the requested \$1.10/watt-CEC-AC incentive requested. The ongoing program's administration and outreach will benefit from the already established program tracking and processing procedures, which will continue to be used for this expanded program. We anticipate that the current application and interconnection process will only be minimally impacted by a slightly higher volume of applications that will be generated by the greater program capacity proposed for this upcoming three-year cycle.

Liberty Utilities is proposing capacity targets which decline over the three-year cycle to balance Liberty Utilities' plans to increase renewable energy resources system wide over this same timeframe. As

shown in Table I-2 below, Liberty CalPeco forecasts administration and outreach levels that decline in the final year as the program ramps down its outreach efforts. This administration budget will be used, as in the current program, for application processing, maintenance of program statistics, project verifications, incentive processing and program outreach efforts including workshops, events, media, print materials, and bill inserts.

***Table I-2***  
***Proposed Solar Incentive Program***  
***2019 – 2021***

Program Year	Target Capacity kW	Incentive Rate \$/watt - AC	Incentive Budget	Total Administrative & Outreach Budget	Total Budget
2019	1000	\$1.10	\$1,100,000	\$107,000	\$1,207,000
2020	800	\$1.10	\$880,000	\$107,000	\$987,000
2021	600	\$1.10	\$660,000	\$102,000	\$762,000
<b>Totals</b>	2400		\$2,640,000	\$316,000	\$2,956,000

**B. Transportation Electrification**

In D.18-09-034, the CPUC authorized funding for customer rebates for installing electric vehicle chargers at their homes or small businesses. The Decision authorized up to 1,000 residential rebates (at \$1,500 per rebate) and 100 small commercial rebates (at \$2,500 per rebate) and administrative costs for the program of \$150,000. Liberty CalPeco is including these costs in this GRC in its revenue requirement forecast.

In addition, the Decision authorized Liberty CalPeco to implement a Customer Online Resource, which is an online portal to educate customers on EVs, charging requirements, charger locations within Liberty CalPeco's service territory, federal and state rebate programs for EV purchasers and lessees, Liberty's available rebate programs TOU rates, and other information to help increase EV awareness and adoption among customers in Liberty's service territory. The authorized funding for this project is \$85,000 in 2019, \$35,000 in 2020, and \$16,740 in 2021. Liberty CalPeco is including these costs in this GRC in its revenue requirement forecast.



**Appendix A**  
**Witness Qualifications**

**LIBERTY UTILITIES (CALPECO ELECTRIC) LLC**  
**QUALIFICATIONS AND PREPARED TESTIMONY**  
**OF DEREK OLIJAR**

Q. Please state your name and business address for the record.

A. My name is Derek Olijar and my business address is 701 National Avenue, Tahoe Vista, California 96148.

Q. Briefly describe your present responsibilities at Liberty Utilities (CalPeco Electric) LLC.

A. I am a Rates and Regulatory Affairs Administrator. I manage the Public Purpose Programs as well as perform other regulatory duties as assigned.

Q. Briefly describe your educational and professional background.

A. I am currently pursuing a Bachelor of General Studies degree at University of Nevada, Reno. I have an Associate of Arts degree from Truckee Meadows Community College. I have worked in the utility industry for over 10 years. I have certificates in Energy Management and Solar design and Installation. Before working in the utility industry, I was a California licensed Roofing Contractor.

Q. What is the purpose of your testimony in this proceeding?

A. The purpose of my testimony in this proceeding is to provide information regarding the Public Purpose Programs.

Q. Was this material prepared by you or under your supervision?

A. Yes, it was.

Q. Insofar as this material is factual in nature, do you believe it to be correct?

A. Yes, I do.

Q. Insofar as this material is in the nature of opinion or judgement, does it represent your best judgement?

A. Yes, it does.

1 Q. Does this conclude your qualifications and prepared testimony?

2 A. Yes, it does.