Summary of CPUC-Energy Division Comments on Draft Needs Assessment

2006-2008 Evaluated Energy Efficiency Results
and
Historic Energy Efficiency

May 25, 2011

California Energy Commission Workshop

Premise of the Comments and Response to Questions

- CPUC-Energy Division believes that evaluation-based estimates from the 2006-2008 program cycle should be used in updating the IEPR and in future CPUC Long Term Procurement Proceedings.
- Evaluation based estimates of energy efficiency accomplishments provide a more accurate reflection of savings than planning assumptions.
- Reported energy savings have historically been higher than evaluated energy savings estimates.

Availability and Provision of Data

- CPUC staff has provided Energy Commission staff detailed evaluation based results for 2006-2008 and 2009 program periods.
- The reliability of these estimates were found to be statistically robust at the portfolio level.
- Detail of data available for the 2006-2009 time period is unprecedented in the history of California's Energy Efficiency programs.

Evaluated v. Reported Savings

Evaluated savings represent updates to planning assumptions based on field assessment including:

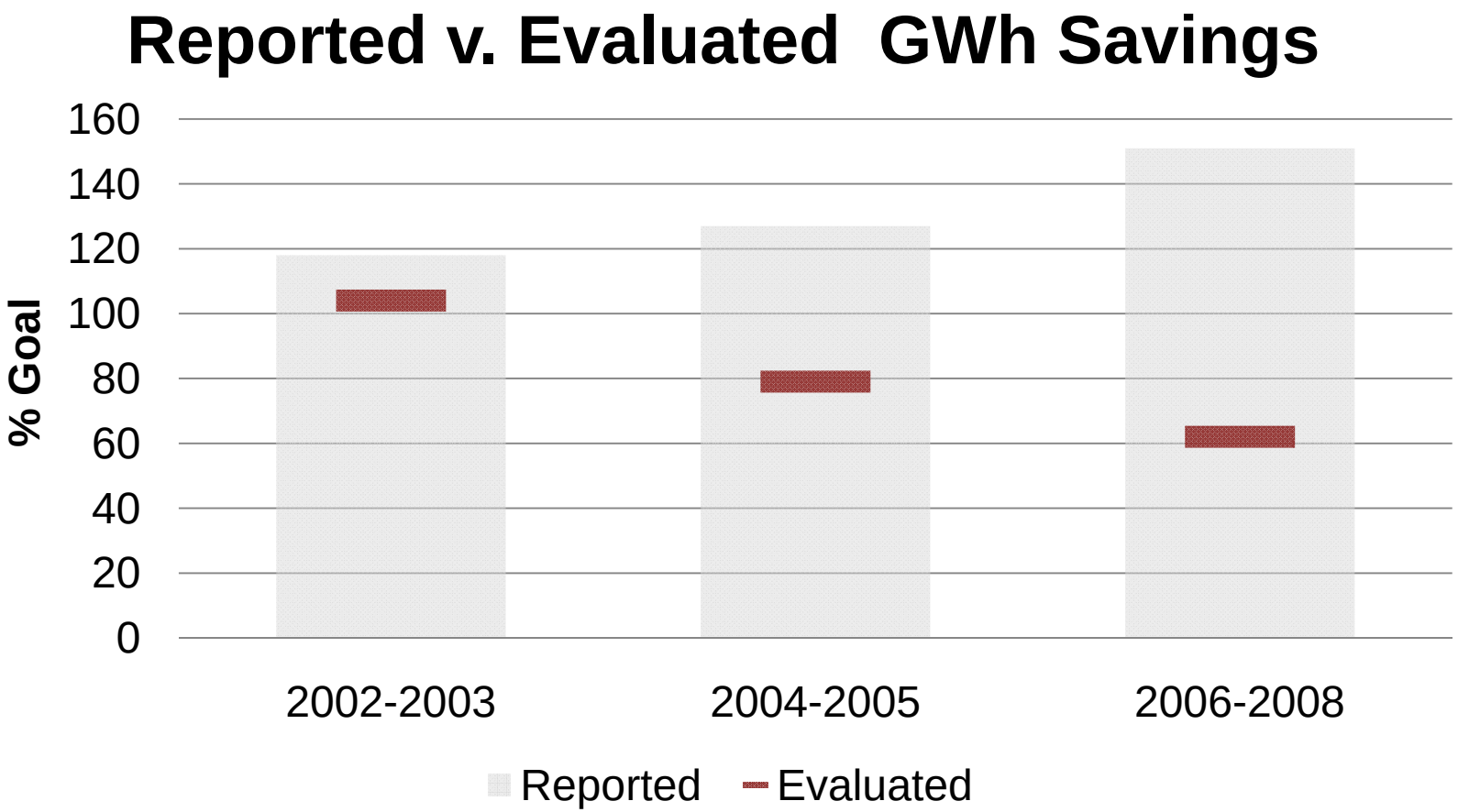
- Verification of claimed measure installations.
- In situ savings based on field conditions of measures compared to the baseline.
- Influence of the program in leading to the measure installation or action taken (program attribution).

CPUC Decision on Financial Incentives did not dictate use of data for forecasting

- D.10-12-049 did not use evaluated results for determining Risk/Reward incentive payments for 2006-2008.
- The CPUC acknowledged in that decision the value and intent of using updated information using field based evaluation for planning purposes.

  "For purposes of determining the actual impacts of energy efficiency programs in reducing demand and obviating the need for supply side resources, it is clearly incumbent on the Commission to update the assumptions used to quantify the impacts of the utilities' efforts." pg33

Historically the IOUs have not exceeded goals on an evaluated basis



Source: 2006-2008 Energy Efficiency Evaluation Report, July 2010; table 3

Value and Limitations of Using Evaluated Results for Forecasting and Procurement

- Evaluation results provide insight to know what savings were realized in the field based on what, when and where the technologies were installed for that time period.
- Evaluation adjustments from one program period cannot be applied to all vintages of portfolio savings without considering variations in program/measure mix and market conditions.
- The best available knowledge from evaluation studies should be used to adjust planning (ex ante) energy efficiency savings estimates for use in forecasting and procurement activities.
- The CPUC has not adopted a process to address any remaining uncertainties in the 2006-2008 results beyond the responses to over 1,700 comments processed by staff.

Further refining historic savings estimates is not a good use of limited resources

- The impacts to the future forecast for these savings impacts are small compared to near term or future expected savings.
- Compiling and analyzing the limited information available for historic energy efficiency would take up significant CEC, CPUC and IOU staff time.
- The CEC's adjustments to reported savings in the historic record is prudent considering that savings rarely are realized at 100% once in field assessments have been completed.

Conclusion

- The CPUC needs complete and accurate forecast information on which to continue our efforts to ensure a reliable and cost-effective electricity supply. [R.10-05-006, 2010 LTPP OIR, at 12.]
- In support of this need, CPUC's Energy Division recommends using the results of the evaluations, which were based on a set of rigorous analytical methodologies that have evolved across twenty years of energy efficiency evaluation in the state.
- Limited stakeholder resources should be focused on refining the future forecast, not refining the historic savings.

Questions?

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