

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

Application of Southern California Edison
Company (U338E) for Approval of Energy
Efficiency Rolling Portfolio Business Plan.

And Related Matters

Application 17-01-013
(Filed January 17, 2017)

Application 17-01-014

Application 17-01-015

Application 17-01-016

Application 17-01-017

**REPLY OF THE LOCAL GOVERNMENT SUSTAINABLE
ENERGY COALITION TO THE JULY 24, 2017 REVISED METRICS COMMENTS**

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Dated: July 31, 2017

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**REPLY OF THE LOCAL GOVERNMENT SUSTAINABLE
ENERGY COALITION TO THE JULY 24, 2017 REVISED METRICS COMMENTS**

Pursuant to the May 10, 2017 Administrative Law Judge’s Ruling Seeking Comment on Energy Efficiency Business Plan Metrics (Metrics Ruling), the Local Government Sustainable Energy Coalition (LGSEC)¹ submits this Reply to Pacific Gas & Electric’s July 24, 2017 Revised Metrics Comments (PG&E Comments) addressing the LGSEC’s Revised Metrics (Revised Metrics). The Metrics Ruling presented a proposed set of common portfolio and sector-level metrics for tracking and periodic reporting by all program administrators (PAs). PAs and prospective PAs filed a revised set of comprehensive metrics with suggested targets for each. All parties were invited to comment and reply to comments on these filings.² On June 9, 2017, the Administrative Law Judge Ruling Modifying Schedule extended the deadline for this Reply filing to July 31, 2017. LGSEC has reviewed the Parties’ Revised Metrics Comments and presents this Reply to the PG&E in response.

¹ The LGSEC is a statewide membership organization of cities, counties, associations and councils of government, special districts, and non-profit organizations that support government entities. Each of these organizations may have different views on elements of this Application, which were approved by the LGSEC’s Board. A list of LGSEC’s members can be found at www.lgsec.org. LGSEC is a program of the Local Government Commission (LGC). The LGC is a 35-year old non-profit organization supporting local government leadership in land use, energy and water sustainability.

² Metrics Ruling, pp.13-14.

PG&E opposes LGSEC's Revised Metrics as "inadequate" stating they are focused primarily on administration and as such, would yield "little insight into any benefits."³ This statement is both inaccurate and illogical. It is correct that LGSEC's Revised Metrics tables did provide some administrative metrics to give the Commission an opportunity to evaluate its more systematic changes in comparison to the status quo under decentralized IOU administration, while also demonstrating benefits to the local government partnerships (LGPs.) However, PG&E ignores the Common Metrics included in LGSEC's Table 4.B that the IOUs are also using to demonstrate benefits to the customers that the new statewide administration will serve and to meet California's comprehensive energy efficiency goals. In addition, in Table 4.C, LGSEC identified several other potential metrics that demonstrate value to both customers and State policy goals. PG&E fails to acknowledge the inclusion of these metrics. Given that LGSEC provided all the metrics PG&E has provided, along with additional metrics, it is clear that LGC, as a new statewide PA under the LGSEC BP Proposal, will match and then exceed PG&E's ability to provide insights into any benefits provided by LGPs, across all the diverse sector activities, including the Public Sector.

PG&E also stated that the LGSEC BP Proposal relies on LGPs to provide recommended metrics, baselines and targets and is therefore burdensome on existing LGPs. This is simply incorrect. The LGSEC BP Proposal provides for the Local Government Commission (LGC) as program administrator (PA) to develop metrics, baselines and targets for local government energy efficiency programs. The Commission need not look any further than LGSEC's Revised Table 4.A to see that this is incorrect. On the contrary, LGC will conduct the work to develop metrics, baselines and targets for all administrative strategies. Perhaps PG&E misunderstands LGSEC's commitment to source LGP input and information

³ PG&E Comments, pp. 5-6.

to ensure these metrics are meaningful and trackable for local governments. This is basic quality control, participant engagement and efficient use of existing resources. But no effort to place the onus on LGPs to provide the statewide metrics, baselines and targets is contemplated by these activities. The result will be more a predictable and useful set of metrics provided to LGPs early on. With this improvement over today's practices, reporting processes will be streamlined and LGPs' ability to deliver and promote energy efficiency in their communities will likewise be enhanced.

Particularly disingenuous is PG&E's opposition to the LGSEC BP Proposal because "LGC will not provide baselines or targets until after approval."⁴ It has been well established by the IOUs (as well as LGSEC), particularly during Revised Metrics discussions, that the Public Sector and LGPs in particular have never been included in any potential, goals or performance study to date. Rather than acknowledge this current circumstance, for which PG&E is partly responsible as PA for the LGPs and Public Sector programs in its service territory, it uses this lack of data and analysis that exists statewide to criticize LGSEC for failing to do the impossible: produce baselines, targets and performance results data in this proceeding where none has been compiled before to date.

PG&E's own Revised Metrics acknowledged this situation, noted the lack of baselines and proposes to use data from those buildings that are benchmarked, presumably through new AB802 activities, for 2018.⁵ PG&E describes current data gaps in detail and calls for a study to explore a common definition of the Public Sector across PAs and acknowledges that the 2015 Potential and Goals Study and the Draft 2018 Potential and Goals

⁴ PG&E Revised Metrics Comments at page 2.

⁵ PG&E Revised Metrics, Appendix 1 at page 24.

Study do not include energy savings and demand reduction potential for the Public Sector.⁶ However, even PG&E’s detailed discussion of the need for future work in this area fails to describe how LGP performance is currently attributed or will be attributed in the future within each applicable sector in their individual service territories. PG&E recommends this as an area of study. As LGSEC requested in its Revised Metrics Comments, the Commission should direct the IOUs to describe how LGP performance is attributed given that the IOU Budget Filings show that each IOU manages LGPs differently. This would be a productive start to the process that is just now being identified for future focused activity.

When the Commission approves a statewide local government administration, PG&E and the other IOUs will need to provide data on prior LGP participation and metrics. Some LGPs have had access on an individual basis to their own relevant data but it has never been gathered and reported to the Commission by sector nor subject to Common Metrics such as are proposed in this Rolling Portfolio cycle. This is a new starting point for LGP energy efficiency administration and the lack of comprehensive performance/participation baselines,

⁶ PG&E Revised Metrics, Appendix 1 at page 24: “Public customers have historically been included in the Commercial sector, and as such, baseline data for Public is not always available. For example, the 2015 Potential and Goals Study and the Draft 2018 Potential and Goals Study, do not include energy savings and demand reduction potential for the Public sector, and instead includes this in the Commercial sector. In discussions with CPUC staff, it was suggested that where Public baselines are not available, the data would be included with Commercial until a later date when sector-specific data becomes available. PG&E is working to better align the program and customer-information data tracking systems with this sector. In the table below, we specify when data are not yet available and state that where better tracking is needed, we may be able to implement the requisite changes to track this data in 2018.

We note that additional studies are needed to fully report on the metrics required by the CPUC. For the Public Sector, PG&E is recommending a study that explores: □ A common definition of the Public Sector across PAs that is consistent with what will be used in future Potential and Goals studies. □ Total number of Public Sector buildings, and square footage (by PA) – note that these numbers should also specify which buildings and square footage are gas customers □ The best way to track Public Sector participants (i.e., Public sector may be better tracked by tracking the number of cities engaged/all cities or some other unit of measurement that better represents when a city conducts a project that covers multiple buildings, projects and customers). □ Best options for a program metric for “non-building” savings in this sector (equivalent to the depth of savings metric for buildings). There are some metrics, such as savings by square foot, that will require additional data collection and may not provide an accurate picture of this sector given that many projects are not associated with square feet (e.g., street lighting, pumps, waste water facilities, etc.). PG&E recommends that the CPUC reconsider these metrics to measure depth of savings.”

potential and goals data that characterizes the status quo is a direct target for remedy by the LGSEC BP Proposal. The Common Metrics initiatives highlight the extraordinary need for future metric activities to proceed on a statewide basis for the Public Sector and LGP delivery of energy efficiency across all sectors.

This is why LGSEC submits that it will take significant work in the first year to collect the data that does exist from each IOU, sort and analyze the data, establish commonality to the extent possible among the different IOU approaches to data collection, conduct quality control on the data (including proper identification of customer type and sector, develop trends, comparisons and other conclusions. This is precisely the reason that expansion statewide of data access at least on par with UCLA's Energy Atlas tool to include the PG&E service territory is such a significant component of the LGSEC BP Proposal. There is simply no merit to PG&E's criticism of LGSEC for the current inability to magically produce baselines and targets when no effort to compile data on the basis required by the new Common Metrics has ever occurred to date. This is especially misplaced given that no energy efficiency budget and no specific access to data have been dedicated yet to this effort by any entity, IOU or non-IOU. Further, there will be incremental administrative costs associated with even the best crafted and implemented new Common Metrics. The LGSEC BP Proposal is the only statewide solution proposed in this consolidated proceeding with a cost-efficient, streamlined approach to support the new Common Metrics applied to LGPs and future local government programs.

It is important to note that the IOUs have paid little attention in their BPs to the accuracy or aggregation of LGP reporting nor explained their activities over the past ten plus years that LGPs have operated. Nor have the IOUs, including PG&E, provided remedies for a

number of the barriers to greater local government program energy savings results that both LGSEC and the IOUs have identified. In this context, it is empty hyperbole for PG&E to conclude the LGSEC BP Proposal would not improve the delivery of LGP energy savings. The LGSEC BP Proposal metrics effort alone, aside from all the other systematic improvements LGSEC has proposed,⁷ will provide the Commission with far more usable energy savings data (properly categorized by sector and attributed to the appropriate programs) than currently exists, along with other reportable metrics. A statewide administrator will be in the best position to ensure this work is done consistently.

Conclusion:

For all the foregoing reasons, LGSEC respectfully submits this Reply and requests that the Commission authorize the LGSEC BP Proposal discussed herein.

Respectfully submitted,



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⁷ See, for example, LGSEC BP Proposal, pp.6-10 and LGSEC July 22, 2017 Response to ALJ Ruling Seeking Supplemental Information, pp.5-7.

