

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA



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Order Instituting Rulemaking
Concerning Energy Efficiency
Rolling Portfolios, Policies,
Programs, Evaluation and
Related Issues.

Rulemaking 13-11-005
(Filed November 21, 2013)

**COMMENTS OF THE LOCAL GOVERNMENT SUSTAINABLE ENERGY
COALITION ON ADMINISTRATIVE LAW JUDGE'S PROPOSED DECISION
REGARDING FRAMEWORKS FOR ENERGY EFFICIENCY REGIONAL ENERGY
NETWORKS AND MARKET TRANSFORMATION**

Steven Moss
Partner, M.Cubed
296 Liberty Street
San Francisco, California 94114
415.643.9578; steven@moss.net

For THE LOCAL GOVERNMENT
SUSTAINABLE ENERGY COALITION

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1.0 Introduction

The Local Government Sustainable Energy Coalition (LGSEC) strongly supports the *Proposed Decision Regarding Frameworks for Energy Efficiency Regional Energy Networks and Market Transformation*. The decision is carefully reasoned, nested in thoughtful consideration of applicable laws and regulations, reflects existing and emerging market conditions, and is properly oriented towards encouraging progress towards achieving the state’s environmental and equity goals while ensuring that expenditure of ratepayer dollars creates real value.

LGSEC shares the PD’s optimism that “...there is a unique and appropriate role for local government entities in the oversight and delivery of energy efficiency programs.”¹ In fact, local government (LG) – as embodied in Regional Energy Networks (REN) and community choice aggregators, among others – have become essential entities in assisting especially vulnerable and complex populations manage their energy use. It is quite doubtful that the state can achieve its ambitious equity and environmental goals without LGs’ active engagement.

Californians look to their local governments to help them weather storms and earthquakes, fires and power outages, and to ensure fair access to needed services. LGs have demonstrated their ability to collaborate with one another, the investor-owned utilities, civic groups, and others to deliver outsized benefits to their communities. This capacity will be needed to effectively advance energy efficiency, building decarbonization, microgrid deployment, and transportation electrification, among other important improvements.

¹ Page 18.

2.0 Discussion

LGSEC appreciates the PD's consideration of creating a new equity category, "underserved," consisting of populations that are particularly meritorious of REN or other LG-provided energy efficiency services. As stated in the PD, "If a consensus among parties is reached in the future about an appropriate definition of "underserved," we would consider broadening this criterion in the future."² Given the PD's implicit acknowledgement that an underserved population likely exists, and the ancillary imperative that pathways be found to effectively serve this population, LGSEC recommends that it be modified to include specific language directing the California Energy Efficiency Coordinating Committee to devise such a definition as soon as practicable.

LGSEC strongly supports the PD's direction to detach REN activities, and market transformation, from the Total Resource Cost (TRC) and other doctrinaire cost-effectiveness approaches, which tend to reflect a short-term focus on energy and greenhouse gas benefits. Market transformation takes time, and the resulting productivity, public health, equity, and environmental benefits are not reflected in the TRC. As indicated in the PD,

...the market transformation framework requirements, which are designed to be longer-term and more sustainable, but may not be able to demonstrate cost-effectiveness on Day 1.³

Holding transformative efforts to misaligned tests would be misguided.

LGSEC is optimistic that the Market Transformation Administrator will develop the additional data and methods needed to comprehensively monitor whether customer funding is

² Page 32.

³ Page 41.

being spent prudently while allowing for essential flexibility to try new programs, technologies, and methods. This type of approach is vital to spark innovation that can demonstrate pathways towards the future California wants rather than being constrained by today's knowledge and understandings.

3.0 Conclusion

LGSEC appreciates this opportunity to provide these comments to the Commission. We look forward to continuing to productively engage in these issues.

Respectfully submitted

By: /s/ Steven Moss
Steven Moss
Partner, M.Cubed
296 Liberty Street
San Francisco, California 94114
415.643.9578; steven@moss.net

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