

**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. )

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Rulemaking 13-11-005

**COMMENTS OF MARIN CLEAN ENERGY AND CITY OF LANCASTER  
IN RESPONSE TO ADMINISTRATIVE LAW JUDGE'S RULING INVITING  
COMMENTS ON DRAFT POTENTIAL AND GOALS STUDY**

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May 21, 2019

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COMMENTS ON DRAFT POTENTIAL AND GOALS STUDY**

Marin Clean Energy (“MCE”) and the City of Lancaster (“Lancaster”) submit the following comments in response to the *Administrative Law Judge’s Ruling Inviting Comments on Draft Potential and Goals Study* (“Ruling”), filed on May 1, 2019. As the two Community Choice Aggregators (“CCAs”) who are currently administering energy efficiency (“EE”) programs, MCE and Lancaster appreciate the opportunity to provide input on the “2019 Energy Efficiency Potential and Goals Study” (“Navigant Study”). MCE and Lancaster provide the following comments in an effort to engage with Navigant and the Commission to ensure that non-investor-owned utility (“IOU”) EE program administrators (“PAs”), such as CCAs and Regional Energy Networks (“RENs”), are appropriately considered and distinguished from their IOU counterparts. MCE and Lancaster hope that the below comments serve to shed light on some areas where the Commission should carefully consider the Navigant Study and its relationship to non-IOU EE portfolios.

**I. COMMENTS**

**A. The Navigant Study Should Provide Value to Both IOUs and CCAs**

MCE and Lancaster believe that the Navigant Study should aim to provide as much value for CCA EE programs as it does for IOU EE programs, since the Navigant Study is funded by *all*

ratepayers. Unfortunately, the Navigant study does not currently provide the same level of value to CCAs as it does to the IOUs. This is because the energy savings and potential are only identified on an IOU service territory level, and not on a CCA or REN level. This data-driven information helps the IOUs design EE portfolios in addition to assign them goals. MCE and Lancaster desire to have more detailed information on EE potential in their respective service territories to help inform future program design and development.

**B. There Are Many Uncertainties Surrounding Navigant’s Proposed Top-Down Disaggregation Approach for Determining Energy Savings Goals and Potential for CCAs and RENs**

Lancaster and MCE are concerned about Navigant’s high-level approach to parsing out savings for CCAs and RENs as proposed during a workshop in January 2019.<sup>1</sup> Navigant is suggesting to “conduct a top-down disaggregation of IOU level results” for CCAs and RENs as a “post-processing step based on population and historic program savings data.”<sup>2</sup> More specifically, it is our understanding that Navigant intends to utilize population data, as well as historical energy consumption and historical energy savings data from past programs in order to understand the overlap and savings potential.

Lancaster and MCE question whether a top-down approach will be able to provide valuable feedback on savings potential to CCAs. For example, MCE’s service area is very different than Pacific Gas and Electric Company’s (“PG&E’s”) entire service area in terms of population demographics and climate zones.<sup>3</sup> Likewise, Lancaster’s service area is very different than that of

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<sup>1</sup> 2019 Potential and Goals Study Workshop, January 11, 2019.

<sup>2</sup> PowerPoint Presentation, *2019 Potential and Goals Study Workshop*, at 30.

<sup>3</sup> MCE provides retail electricity generation services to customers in Marin County, Napa County and unincorporated Contra Costa County, as well as the cities of Richmond, San Pablo, El Cerrito, Walnut Creek, Lafayette, Concord, Martinez, Oakley, Pinole, Pittsburg and San Ramon and the towns of Danville and Moraga. MCE also serves the city of Benicia in Solano County.

Southern California Edison's ("SCE's").<sup>4</sup> Even if Navigant examined population and historic programs savings data, a top-down allocation approach will not provide the level of detail that is required to accurately assign EE potential and savings to CCAs and RENs. For example, the potential and impact of installing a heating, ventilation, and air conditioning ("HVAC") EE measure in MCE's service area will be very different than installing that same measure in the Central Valley. Therefore, a pure allocation methodology would likely be inaccurate. Furthermore, CCAs and RENs have historically been given a limited scope under the EE programs to avoid overlap with IOU programs, including administering EE programs in fewer sectors. Historical savings information will therefore be skewed to a much greater potential for IOU programs relative to non-IOU programs.

With respect to the proposed "top-down" approach, Lancaster and MCE believe that it would be helpful to understand how Navigant is determining its population for IOU versus CCA allocations. For example, it is unclear whether Navigant is actually counting CCA customers and IOU customers in the CCA's service areas, or if Navigant is simply considering all customers in the CCAs' service areas as "CCA customers." The application of this information to establish goals is also complicated because some CCA EE programs are delivered only to CCA customers while others are available to all customers (i.e., CCA and IOU customers in the CCA's service area) and the same may be true for IOU programs.

In summary, Lancaster and MCE support modifications to the Navigant Study to improve the value to CCA programs. This study should attempt to provide the same quality and character of information for use in designing CCA programs as it does for IOU programs. Lancaster and

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<sup>4</sup> Lancaster is a community of approximately 160,000 residents located in northern Los Angeles County, in the High Desert region of the western Mojave Desert.

MCE will be available to Navigant staff to discuss the content of these comments and opportunities to further refine the potential and goals study.

**C. Response to Question #6: No Changes to the September 2019 ABALs Are Required Due to the Navigant Study**

Question # 6 of the Ruling states:

“Given the changes in potential for 2020, should there be any changes to the required components of annual budget advice letters (ABALs) due from the PAs in September 2019, and/or to the process or criteria for reviewing the September 2019 ABALs (Sections 7.2 and 7.3 of D.18-05-041)? Explain why or why not. Any recommendations in response to this question should focus on new ideas and not repeat recommendations previously made and that the Commission has already dismissed.”<sup>5</sup>

MCE and Lancaster do not believe that there should be any changes to the required components, process or criteria for reviewing the September 2019 ABALs for all PAs. As pointed out above, energy savings goals for CCAs (and RENs) are currently *not* determined through the Navigant Study.<sup>6</sup> Updating the ABAL process for all PAs based on the results of the Navigant Study would therefore be partial and premature. MCE and Lancaster also believe that updating the ABAL process for just the IOU PAs would be confusing and disruptive to the EE marketplace.

**III. CONCLUSION**

MCE and Lancaster thank the Commission for its consideration of these comments on the Navigant Study. MCE and Lancaster look forward to continuing to work with the Commission,

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<sup>5</sup> Ruling at 5.

<sup>6</sup> MCE establishes its energy savings goals for its service territory through approval of its EE Business Plan, which the Commission approves. The current MCE Business Plan was approved in Decision (“D.”)18-05-041, *Decision Addressing Energy Efficiency Business Plans*, May 31, 2018. Similarly, Lancaster provided its projected energy savings via Advice Letter and the Commission approved Lancaster’s budget in Resolution E-4917. Unlike MCE, Lancaster’s budget is constrained by the funding determination provided in D.14-01-033. Therefore, even if Navigant estimated potential for Lancaster’s territory, the goals could not be directly derived from that number.

Navigant and other stakeholders in order to ensure that CCA programs and their customers are given appropriate and careful consideration through the course of this proceeding.

May 21, 2019

Respectfully Submitted,

/s/ Laura Fernandez

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