

# **INFORMAL COMMENTS OF THE OFFICE OF RATEPAYER ADVOCATES ON ENERGY EFFICIENCY POTENTIAL AND GOALS: BEHAVIORAL, RETROCOMMISSIONING AND OPERATIONAL SAVINGS**

**May 9, 2017**

(Submitted to Energy Division Staff)

## **I. INTRODUCTION**

The Office of Ratepayer Advocates (ORA) submits these comments addressing the draft results and associated supporting materials on Energy Efficiency (EE) Behavioral, Retrocommissioning and Operational (BRO) savings potential, circulated by Energy Division (ED) Staff and Navigant Consulting (Navigant) as a part of the public stakeholder review process for the biennial Potential and Goals Study (P&G Study). ORA's comments focus on the BRO's potential analysis in the commercial sector and the basis for Navigant's estimate of savings potential from commercial competitions. In the comments below ORA makes the following recommendations:

- Navigant should revise the draft report to clearly state the independent evaluation source used as the basis for its estimates of competition savings in the commercial sector;
- Navigant should not forecast savings potential for commercial competitions in the absence of verifiable evidence that such interventions can produce EE savings; and
- Navigant should consider whether it is appropriate to forecast stand-alone savings potential for interventions that are designed as marketing support.

## **II. ORA INFORMAL COMMENTS ON COMMERCIAL COMPETITIONS**

- A. Navigant should revise the draft report to clearly state the independent evaluation source used as the basis for its estimates of competition savings in the commercial sector.**

ORA has reviewed the supporting documentation accompanying the release of draft P&G results for BROs savings potential and cannot verify the source of the savings estimates or measure costs for commercial competitions. The revised draft BROs

appendix sent to stakeholders on April 24, 2017 includes estimates of 6.0% kWh savings for large office buildings and 4.5% kWh savings for other building types and a measure cost estimate of \$0.04 per kWh.<sup>1</sup> While the draft BROs appendix cites the large office building savings and the measure cost estimate as coming from the Duke Energy Save Energy Now program and the other building types savings estimate as coming from the Pacific Gas and Electric (PG&E) Step Up and Power Down program, ORA has been unable to locate any independent evaluation reports which confirm the savings and cost estimates and document the methods used to produce those estimates.

In order to ensure the transparency of the input and modeling assumptions used in the P&G Study, Navigant should revise the draft report and appendices to clearly state the basis for its estimates of competition savings and costs in the commercial sector and cite to the relevant independent evaluation studies that confirm the savings and cost estimates used in the models in the P&G Study.

**B. Navigant should not forecast savings potential for commercial competitions in the absence of verifiable evidence that such interventions can produce EE savings.**

The draft BROs results forecast substantial savings potential and costs for commercial competitions, with as much as 20 GWh of annual electric savings and \$8 million in annual costs by 2030.<sup>2</sup> While it is possible this level of savings is achievable by 2030, and thus ratepayer expenditures would be justified, at this time there is insufficient data to support inclusion of these potential savings estimates in Program Administrator's EE savings goals. As noted above, the potential estimates are based on only two pilot programs and lack any documentation of independent evaluation studies that support the determination that commercial competition savings are cost-effective and achievable.

In the absence of verifiable evidence of cost-effective, achievable savings, the P&G study should not include quantified savings potential for commercial competitions.

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<sup>1</sup> *Energy Efficiency Potential and Goals Study for 2018 and Beyond: Draft BROs Appendix*, issued April 24, 2017, p. A-19.

<sup>2</sup> *PGT Results Viewer for BROs*, issued April 20, 2017.

It is inappropriate to hold EE Program Administrators (PAs) responsible via the goals for producing significant energy savings in the absence of evidence that it is feasible and cost-effective to do so. Navigant should instead revise the report to summarize the commercial competitions that have been run to date and any published findings that may aid PAs in designing successful competition pilots that can serve as anchor points for future estimates of potential in this area.

It is important to note that the absence of a potential estimate for commercial competitions does not in any way preclude the PAs from including competition programs in their portfolios or claiming savings if independent evaluations find substantial evidence of incremental savings due to the competitions.

**C. Navigant should consider whether it is appropriate to forecast stand-alone savings potential for interventions that are designed as marketing support.**

PG&E's Step Up and Power Down program was designed as a targeted marketing campaign for commercial and residential customers in a handful of cities in PG&E's service territory. As a marketing campaign, Step Up and Power Down did not claim savings directly but instead attempted to drive participation in PG&E's existing resource programs while evaluating whether incremental behavioral savings – apart from increases in participation in existing programs – could be observed and quantified. No evaluations of incremental behavioral savings from Step Up and Power Down have been made available for public review at this time.

In the absence of evidence to support incremental, stand-alone behavioral savings for commercial competitions like Step Up and Power Down, Navigant could include a small increase in program participation rates for relevant EE measures to include the potential effect of commercial competitions. This alternative reflects the current status of Step Up and Power Down and similar commercial competitions as targeted marketing campaigns that aim to increase participation in existing programs.

### **III. CONCLUSION**

ORA appreciates the opportunity to comment on the draft results of the 2017 P&G Study and respectfully requests that Navigant and ED adopt the recommendations contained herein.

Respectfully submitted,

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