BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking Concerning Energy Efficiency Rolling Portfolios, Policies, Programs, Evaluation, and Related Issues	Rulemaking 13-11-005 (Filed November 14, 2013)

THE OFFICE OF RATEPAYER ADVOCATES' COMMENTS ON STAFF WORKSHOP ON EXISTING BASELINE CONDITIONS

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I. INTRODUCTION

The Office of Ratepayer Advocates ("ORA") hereby submits these comments in response to the Energy Division Staff's Workshop on Existing Baseline Conditions held on November 6, 2015.

II. DISCUSSION

ORA applauds Energy Division's efforts to reach out to industry in order to find data on the magnitude of the stranded savings that currently exist in Energy Efficiency that AB802 requires the Commission to address with to-code incentives. Throughout this proceeding, ORA has argued that the process should be driven by reliable data on stranded potential and not simply anecdotes of facilities or machines that have been repaired well past their expected useful life.

While the changes to PU Code mandated by AB802 now require that the Commission implement to-code incentives more broadly, the general principal remains that the Commission should target limited ratepayer funds to areas where there is reliable data demonstrating the existence of stranded potential. If the Commission starts funding programs without a proper evaluation of the potential, we risk squandering ratepayer funds if the cost of free-ridership far outstrips any gains from stranded efficiency. Ratepayer money is better spent on incentives that will actually move the market towards verifiable energy efficiency. Whether the benefits of changing baseline to existing conditions outweigh the additional costs and risks will depend on careful program design and case-by-case study with justification to make sure that changes are in fact capturing *cost-effective* energy efficiency.

For these reasons, ORA is eager to see what data parties will present for the purpose of calculating potential. However, comments in the workshop left some doubt as to whether parties have proper documentation to support the claims of widespread indefinite repair

or stranded savings. In the absence of robust data, Navigant should not speculate about potential. If there is no reliable data, then the Commission should conclude that there is no stranded potential. In addition, modelling should make clear the sources of uncertainty and the source of the data used to draw conclusions.

The calculation of potential and the design of programs to address that stranded potential is an iterative process. If to-code potential in a given sector is identified at a later date, then programs can be designed to address it *at that time.* In the meantime, as suggested at the workshop, the Commission should focus limited ratepayer dollars in areas where there is reliable data demonstrating stranded potential.

III. Conclusion

ORA respectfully submits these comments in response to the Energy Division's workshop on existing baseline conditions.

Respectfully submitted,

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