A.17-01-015
PG&E 2018-2025 EE Rolling Portfolio Business Plan & Budget

TURN Data Request TURN-PG&E-02

To: Evelyn C. Lee, Pacific Gas and Electric Company (PG&E)
From: Hayley Goodson, The Utility Reform Network (TURN)
Date Sent: May 12, 2017
Response Due: May 26, 2017

Please provide electronic responses to the following questions which pertain to PG&E's Application 17-01-015, requesting approval of PG&E's 2018-2025 Energy Efficiency Rolling Portfolio Business Plan and Budget.

If partial responses are available prior to the requested due date, please forward them as soon as they become available. If any of these requests are unclear or otherwise objectionable, please contact me as soon as possible so that we may attempt to resolve any problems.

Responses should be provided to the following people:

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Energy Efficiency Policy Requests

1. Regarding PG&E's Response to TURN-PG&E-01, Q 1:

    a. Provide examples of programs or measures "that demonstrate[] benefits beyond energy savings," other than the Home Upgrade Program, for which PG&E believes it would be appropriate to remove project-related non-energy costs from the TRC.

    b. For the Home Upgrade Program and any other program or measure identified in your response to part "a", please indicate the magnitude of project-related non-energy costs that PG&E would remove under its proposal, as well as the basis for that quantification, and provide PG&E's estimate of the change in program and/or measure cost-effectiveness that would result from removing project-related non-energy costs.

2. In PG&E's Response to TURN-PG&E-01, Q 2, PG&E clarifies its request that the Commission "provide for measure lives of up to 30 years in DEER and IOU Workpapers, as well as in valuation tools that extend to 30 years," applicable to both removed equipment (for early requirement purposes) and new equipment, and also indicates its belief that "numerous building shell and HVAC measures have EULs in excess of 20 years."

    a. If the Commission adopts PG&E's proposal, and PG&E successfully extends EULs for the measures it believes have EULs beyond 20 years through the EM&V and ex ante approval processes, how would these changes impact PG&E's estimate of its 2018-2020 portfolio TRC cost-effectiveness? Provide preliminary estimates of the TRC impact.

    b. Would a 30-year maximum EUL policy change the composition of PG&E's 2018-2020 portfolio? If so, how?

    c. Would PG&E support or oppose a policy maintaining the current EUL limits for "to code" installations but extending EULs beyond 20 years for above code measures or projects? Why or why not?

3. Regarding PG&E's Response to TURN-PG&E-01, Q 9(b)(i): Please identify the dollar amount of incentives paid in 2016 to each manufacturer identified for Lighting, HVAC, and PLA.

4. Regarding PG&E's Response to TURN-PG&E-01, Q 14(c):

    a. PG&E indicates that 29% of projected net kWh savings from "Indoor Lighting" will come from CFLs. In response to TURN-PG&E-01, Q 14(b), PG&E indicated that 9% of net kWh portfolio savings will come from "Indoor General Lighting" and that 20% of net kWh portfolio savings will come from "Indoor General CFL Lighting." Please clarify whether the total portfolio % of net kWh savings expected from CFLs is 20% ("Indoor General CFL Lighting") <u>plus</u> the portion of "Indoor General Lighting" savings from CFLs (29% of 9% of total portfolio net kWh), for a total CFL contribution of 22.6 % of net kWh.

    b. Is it correct that PG&E expects more than 100 net GWh per year across 2018-2020 from CFLs? Please provide PG&E's estimate of CFL net kWh annual savings from 2018-2020, as assumed in its Business Plan.

    c. Please confirm that PG&E expects LEDs to provide 6.3% of total portfolio net kWh savings, calculated as 70% of savings from "Indoor General Lighting" which provides 9% of total portfolio net kWh savings.

    d. Table 44 on page 59 of the DNV-GL "Impact Evaluation of 2015 Upstream and Residential Downstream Lighting Programs" (April 1, 2017) shows total ex post <u>gross</u> savings from CFL measures in PG&E's evaluated Upstream Lighting Program in 2015 of approximately 14 GWh. Please discuss PG&E's expected savings from CFLs in 2018-2020 (more than 100 <u>net</u> GWh from all lighting programs) in light of this result, including PG&E's expected savings from upstream versus downstream CFL measures and any other factors supporting the reasonableness of PG&E's 2018-2020 expectations.

e. Please reconcile PG&E's expectations for CFLs in 2018-2020 with the conclusions and recommendations presented in Section 8.1.2 of the DNV-GL "Impact Evaluation of 2015 Upstream and Residential Downstream Lighting Programs" (April 1, 2017) on pages 120-121.

5. Regarding PG&E's Response to TURN-PG&E-01, Q 14(d):

   a. It appears that the midstream/upstream channel is used largely for CFLs (87% of all CFL lighting), with some limited use for indoor general lighting, space heating and cooling, and space cooling (12%, 4%, and 5% of these measure categories, respectively). Is this a correct interpretation of PG&E's response?

   b. Does PG&E leverage in any way, or coordinate, the relationships it has with upstream or midstream market actors through the EE portfolio in its procurement of appliances and other measures for the Energy Savings Assistance (ESA) Program? If so, please explain. If not, does PG&E think there could be additional economies of scale and scope and cost efficiencies for either the EE portfolio or the ESA Program through this general approach?

   c. Do the "Downstream Prescriptive Rebate," "Direct Install," and "Custom Incentive" delivery categories ever involve working with manufacturers and/or distributors through incentives and promotions? If so, please explain how this occurs for each delivery category and whether PG&E has found the upstream/midstream involvement in supporting downstream interventions to be effective. Provide any related EM&V.

   d. If your answer to part "c" is NO, please explain whether PG&E has identified, or plans to identify, opportunities at the manufacture and distributor levels to promote "Downstream Prescriptive Rebate," "Direct Install," and "Custom Incentive" delivery categories. Does PG&E think there could be additional economies of scale and scope and cost efficiencies through this general approach?

   e. If not addressed in your response to part "d", please explain whether PG&E has identified or plans to investigate opportunities to coordinate interventions delivered via upstream, midstream, and downstream channels.

      i. More specifically, please clarify whether current downstream incentives and promotions (which appear to be largely commercial, industrial, agricultural, and water and waste water treatment facility equipment) also include manufacturer and distributor incentives and promotions. If so, explain how this coordination takes place as a general matter and also specifically for the top 10 non-residential measures delivered downstream (based on a ranking by number of measures). If not, confirm that the downstream incentives and promotions are applied to unadjusted (meaning not discounted) wholesale or retail costs/prices.

ii. If PG&E does not currently integrate promotions of equipment across multiple delivery channels, such as by promoting at the manufacture and distributor levels commercial, industrial, agricultural, and water and waste water treatment facility equipment that is also promoted through downstream interventions, please indicate whether PG&E believes there might be additional economies of scale and scope through such an approach.

6. Regarding PG&E's Response to TURN-PG&E-01, Q 15:

   a. Has PG&E ever offered incentives based on lifecycle savings, rather than, or in addition to, first year savings? If so, please identify the programs or projects where PG&E offered incentives based on lifecycle savings and any available EM&V addressing the effectiveness of that incentive structure.

   b. Does PG&E intend to require or encourage, as a general matter, incentives based on lifecycle savings during the time period covered by the Business Plan? Please explain why or why not.

7. Regarding PG&E's Response to TURN-PG&E-01, Q 16:

   a. Please provide a copy of the "general rule" that early retirement "to code" is prohibited in Direct Install programs, including any exceptions, and indicate the source (CPUC decisions or other guidance, PG&E's own policies, other?) and vintage of this rule.

   b. Please provide a copy of PG&E's correspondence with implementers instructing them to stop offering "to-code" linear fluorescent lamp retrofits in 2016 and clarifying early retirement policies for all regional DI implementers.

   c. If not already addressed in your response to part "a" or "b", please provide PG&E's understanding of current CPUC policy regarding early retirement "to code" in Direct Install programs. If it is PG&E's understanding that no such policy exists, indicate whether PG&E would support the adoption of a CPUC policy prohibiting early retirement "to code" in Direct Install programs, other than in the Energy Savings Assistance Program.