

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Application of Southern California Edison Company (U 338-E) for Approval of Energy Efficiency Rolling Portfolio Business Plan.	Application 17-01-013 (Filed January 17, 2017)
Application of San Diego Gas & Electric Company (U 902-M) to adopt Energy Efficiency Rolling Portfolio Business Plan Pursuant to Decision 16-08-012.	Application 17-01-014 (Filed January 17, 2017)
Application of Pacific Gas and Electric Company for Approval of 2018-2025 Rolling Portfolio Energy Efficiency Business Plan and Budget (U 39-M).	Application 17-01-015 (Filed January 17, 2017)
Application of Southern California Gas Company (U 904-G) for adoption of its Energy Efficiency Rolling Portfolio Business Plan and related relief.	Application 17-01-016 (Filed January 17, 2017)
In the matter of the Application of Marin Clean Energy for Approval of its Energy Efficiency Business Plan.	Application 17-01-017 (Filed January 17, 2017)

**NATIONAL ASSOCIATION OF ENERGY SERVICE COMPANIES
REPLY COMMENTS ON REVISED SECTOR-LEVEL METRICS PROPOSALS AND
ENERGY EFFICIENCY AND DEMAND RESPONSE INTEGRATION OPTIONS**

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Pursuant to Rule 2.6 of the Rules of Practice and Procedure of the California Public Utilities Commission (“CPUC” or “Commission”), the National Association of Energy Service Companies (“NAESCO”) hereby responds to the comments on revised sector-level metrics proposals and energy efficiency and demand response integration options filed by the Council for Energy Management and Demand Control, Pacific Gas and Electric Company, Southern California Edison, and Southern California Gas filed on July 24, 2017.

Energy Efficiency and Demand Response Integration

The California Energy and Demand Management Council (Council) recommends that each IOU conduct an open solicitation for third parties to propose their own designs for programs that integrate energy efficiency and demand response. As the Council notes, this is expected approach for all program design, as directed by D.16-08-019. (Council comments, page 5) Southern California Gas makes a similar proposal. (Southern Californai Gas comments, page 3) NAESCO agrees. One of the reaons for third party designed and delivered programs is to introduce innovation into energy efficiency portfolios. Given the state’s need for non-dispatchable renewable generation support, there is a particularly great need for innovative combined energy efficiency- demand response programs that third parties can deliver. NAESCO also agrees with the Council that because this is a relatively new program area, each IOU should conduct its own solicitation, thereby providing the state with a diversity of approaches. After different approaches have been implemented and evaluated, this program area may be ready for statewide administration.

In contrast, Southern Califonria Edison states “Once the Commission establishes its goals for integration of EE and DR, third parties and PAs should be able to propose program ideas that are not constrained to particular programs or technologies.” (Southern California Edison comments, page 8) If Southern California Edison means by proposing program ideas that it issue solicitations with a very high level descripton of program opportunities, NAESCO agrees. But Southern California Edison should not be proposing program designs itself. The Commission has decided that the EE portfolios should move to third party programs, and that the PAs should keep only those programs for which they can provide unique design and implementation capabilities. For any energy efficiency demand response integration program, the Commission should make clear that the the model it expects IOUs to follow is the third party approach determined in D.16-08-019, and that the IOUs should be allowed to propose new EE/DR programs only if thid parties are unable to do so.

Metrics

Pacific Gas and Electric Company argues againt the Commission’s approving the revised metrics proposals of Marin Clean Energy and the Local Government Sustainable Energy Coalition. (Pacific Gas and Electric comments, page 2) NAESCO agrees. NAESCO also

supports requiring all Program Administrators—IOWs, CCAs, and RENS—to adhere to the same metrics ultimately adopted by the Commission. Having different sets of metrics for different administrators (*e.g.*, IOWs vs. RENS) will lead to market confusion, make it harder for the Commission to achieve its goal of implementing all cost effective energy efficiency, and runs the risk of severely diluting statewide standards of cost-effectiveness as the number of RENS and CCAs grows.

Respectfully submitted by,

A handwritten signature in black ink, appearing to read "Donald Gilligan", with a long horizontal flourish extending to the right.

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