PACIFIC GAS AND ELECTRIC COMPANY
Energy Efficiency 2018-2025 Rolling Portfolio Business Plan
Application 17-01-015
Data Response

PG&E Data Request No.:	TURN_001-Q02		
PG&E File Name:	EnergyEfficiency2018-2025-RollingPortfolioBusinessPlan_DR_TURN_001-Q02		
Request Date:	February 17, 2017	Requester DR No.:	001
Date Sent:	March 6, 2017	Requesting Party:	The Utility Reform Network
PG&E Witness:	Chris Kato	Requester:	Hayley Goodson

SUBJECT: PG&E 2018-2025 EE ROLLING PORTFOLIO BUSINESS PLAN & BUDGET. TURN DATA REQUEST TURN-PG&E-01.

ENERGY EFFICIENCY POLICY REQUESTS

QUESTION 2

On page 22 of PG&E's application, PG&E requests that the Commission extend maximum EULs "to 30 years for certain measures." Regarding this request:

a. What specific relief is PG&E requesting in this proceeding? Is PG&E requesting that the Commission determine that an EUL longer than 20 years might in theory be appropriate for some measures, assuming that a proponent of a longer EUL could provide empirical evidence supporting a longer EUL? *See, e.g.*, D.14-10-046, p. 68 (offering similar relief for equipment removed as part of a school retrofit project or location-targeted project).

b. Given that PG&E's application lacks specific support for a 30-year EUL for specific measures, please explain how PG&E proposes to put forth evidence supporting a longer EUL for particular measures, and how the Commission should review that evidence to determine whether an EUL beyond 20 years should apply.

c. Please provide any information and data demonstrating the appropriateness of an EUL beyond 20 years for specific measures that informed PG&E's request in this application.

ANSWER 2

a. Yes, PG&E is requesting the Commission determine that an EUL longer than 20 years may be appropriate for some measures, assuming empirical evidence exists for those measures. The Commission and numerous stakeholders have expressed a preference for longer-lived projects, which PG&E supports. However, the 20 year EUL cap can be a barrier to pursuing the longest-lived projects, as any savings that accrues beyond 20 years is not valued in cost-effectiveness analysis. PG&E is requesting 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 (i.e. the E3 avoided cost and cost-effectiveness calculators). PG&E is requesting this apply to both removed equipment (for early retirement purposes) and new equipment. D.14-10-046 provided for 30 year

measure lives for removed equipment for schools and locational projects only.[1] PG&E proposes this treatment be extended to all projects where applicable (measure life is a technology attribute, not a building type or application attribute), and that EULs up to 30 years also be adopted for new equipment and projects.

b. Should PG&E's proposal be adopted, PG&E would follow the same ex ante approval process it follows for deemed measures (workpaper approval process), and/or custom measures currently in place to propose changes to measures with longer EULs. In addition, PG&E proposes to use the EM&V study process (e.g., market saturation studies) to gather data that could be used to justify longer EULs. PG&E believes numerous building shell and HVAC measures have EULs in excess of 20 years. PG&E has detailed some examples in response to question c.

c. Building shell (e.g. insulation and windows) and HVAC measures (e.g. furnaces, boilers, steam turbines, and transformers) are two end uses that typically provide for measure lives in excess of 20 years. While PG&E proposes to work through the EM&V and ex ante approval processes to identify and propose specific measures that should have longer EULs, PG&E has provided the **attached** "Atch1_TURN_01_ASHRAE_Equipment_Life_Expectancy_Chart_Q02" for this request to illustrate that one HVAC industry association has readily available data supporting the existence of longer-lived measures.

[1] D.14-10-046, p. 67-68.