

# Energy Efficiency Business Plan Highlights

## 2018-2025

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# Agenda

- DSM Trends
- DSM Vision
- EE Portfolio Vision
- Solicitation Strategy
- Budget, Goals, and Cost Effectiveness
- Key Sector Strategies
- Key Cross-cutting Strategies

# DSM Trends

- **California's electric industry is being rapidly reshaped by several major trends**
  - Reduce greenhouse gas emissions (GHG)
  - Broad penetration of renewable generation
  - Customers looking for more choices in how they procure and manage their energy
- **Demand-side management (DSM) and in particular, energy efficiency (EE), can be an important strategic tool in addressing these challenging trends**
  - Enable greater reductions in GHGs
  - Support system and local distribution reliability
  - Reduce system costs
  - Provide customers with ways to better manage their energy usage and utility bills

# DSM Vision

- **Optimize DSM resource value through an integrated resource planning process**
  - Consistent, integrated resource planning will better optimize the DSM portfolio within the full context of distributed energy resources (DER) and the entire supply-demand resource portfolio.
- **Simplify and streamline DSM regulatory procedures to optimize funding and enable timely portfolio adjustments across resource types**
  - A unified process for DSM program review and funding will allow utilities greater flexibility to allocate funds between programs, resources (e.g., between EE and DR), and procurement vehicles in order to achieve overarching DSM goals.

## cont. DSM Vision

- **Count all DSM savings towards a common DSM goal**
  - DSM Programs (e.g., EE and DR) and new Request for Offers (RFO) solicitations for resource procurement (i.e., MWh or MW from various DERs) often compete for the same customers and resources.
- **Maximize the use of Meter-based Measurement**
  - Ex-post verification and early evaluation, measurement, and verification (EM&V) plans at project onset provide an opportunity to remove the uncertainty from estimated ex ante savings by using meter based savings as validation for “actual savings” for existing baseline conditions.
- **Promote customer adoption by meeting their needs and reducing their confusion**
  - Programs and delivery models need to be designed and structured from a customer’s perspective. Participation can be increased by having fewer, simpler, and more customer-friendly programs.

# EE Portfolio Vision

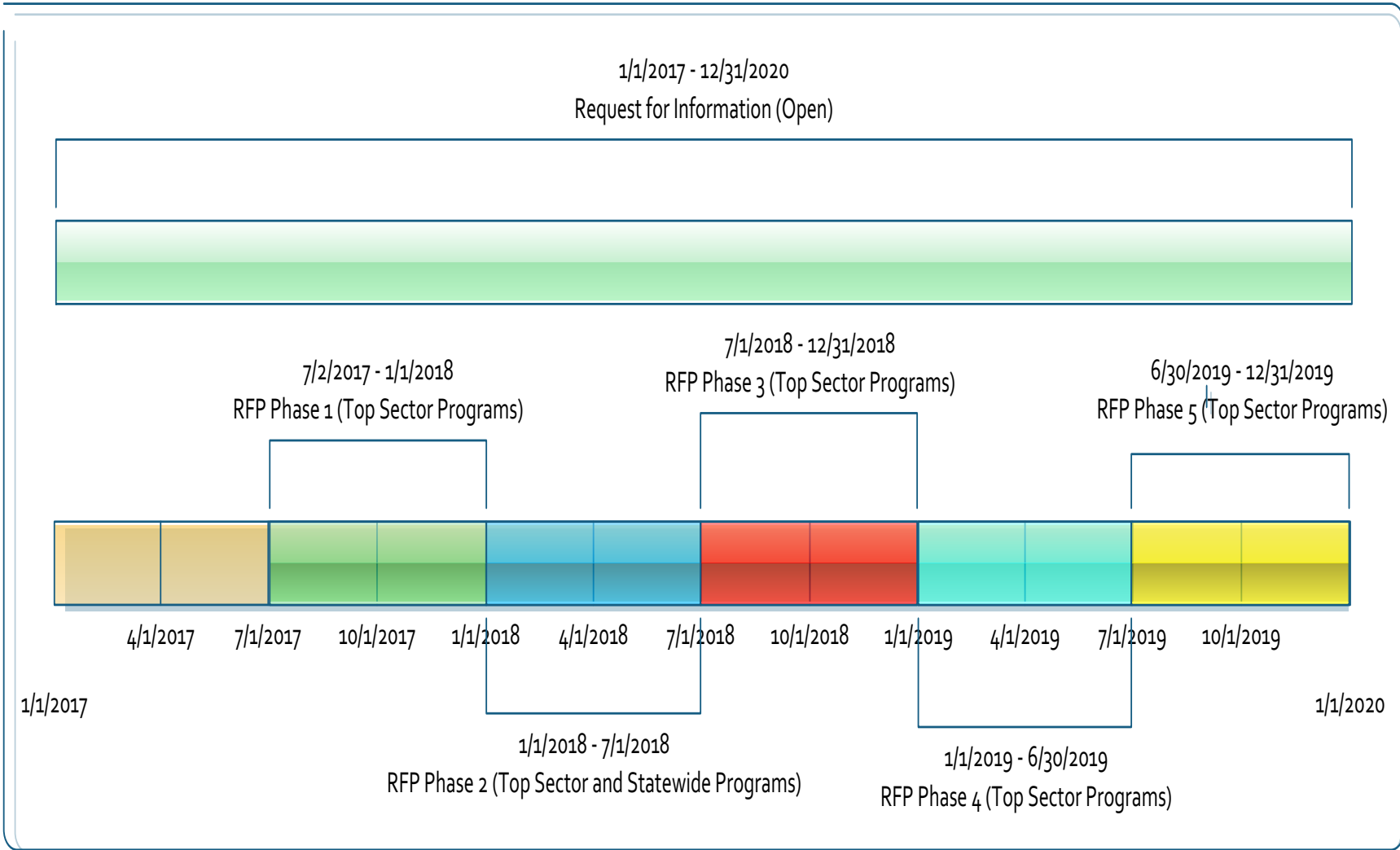
## SCE's vision for its EE portfolio from 2018-2025 is to:

- Continue to achieve cost-effective energy savings
- Expand innovative EE solutions through solicitations
- Drive toward market transformation

## To realize this vision, SCE will employ several key strategies across the portfolio:

- Increase adoption and decrease costs by tailoring EE services based on customer energy usage and demand
- Increased use of upstream and midstream offerings and self-service delivery channels
- Increase EE adoption by providing customers with greater access to and understanding of their energy usage and expand behavioral interventions
- Provide additional innovative solutions to customers through programs that are proposed, designed, and implemented by third-parties
- Diversify the procurement of EE solutions by
  - Leveraging various DSM solicitations within our power procurement organization
  - Using a new solicitation strategy for acquiring third-party solutions

# Solicitation Strategy: Solicitation for Innovation



# Budget, Goals, & Cost-effectiveness

Program Year	Total Portfolio Budget (millions)	Total GWh Portfolio Savings	Total MW Portfolio Reduction	TRC (est.)
2015	\$318	1,494	259	n/a
2016	\$302	1,319	269	n/a
2017	\$279	1,409	280	<b>1.74</b>
2018	\$242	992	260	<b>1.01</b>
2019	\$257	1,026	276	<b>1.04</b>
2020	\$270	1,041	288	<b>1.08</b>
2021	\$265	968	277	n/a
2022	\$273	951	277	n/a
2023	\$280	925	277	n/a
2024	\$288	928	280	n/a
2025	\$296	956	288	n/a

- Average portfolio budget from 2018-2025 is \$271 million
- GWh and MW goals for 2025 are estimates
- TRC estimates for 2017-2020 include the Codes & Standards Program
- Large decrease in TRC is due to updates to the avoided costs used in the TRC calculation



# Key Sector Strategies

## Residential

- Enable third parties to promote cost-effective solutions
- Simplify EE offerings by increasing the use of upstream, midstream, and self-service delivery channels and by reducing the number of customer touchpoints
- Expand behavioral interventions and engagement opportunities to enable deeper adoption of EE

## Commercial, Industrial and Agriculture

- Tailor services based on the customer's size and behavior
- Pilot innovative EE solutions
- Increase education and awareness for customers and partners

## Public

- Leverage and address the unique characteristics which exist in the Public Sector
- Deploy a diverse set of programs and services that provide financial and procurement solutions, relevant energy usage information, and customer education

# Key Cross-cutting Strategies

## Emerging Technology – Electric

- Anticipate the latest emerging technology trends in order to bring innovative, verified technologies to PAs
- Find innovations and manage their risk to the portfolio through assessments so that PAs can maximize their impact and overall cost-effectiveness

## Workforce Education and Training

- Align, enhance, and deliver WE&T programs through key partnerships and collaborations to effectively address market needs
- Equip the current and future California EE workforce with the knowledge and skills to help achieve EE program goals

## Codes and Standards

- Build upon the most successful strategies from the current C&S Program and integrate more long-term, code-driven support that enhances portfolio activities directed at achieving state policy goals
- Contribute to California's EE success by advocating for robust building codes and appliance standards at the state and federal level

# Questions?

Matt Evans

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# Recommendation for Statewide Lead Administration – SCE as Lead PA

## Emerging Technologies – Electric

### Lighting

- Primary Lighting
- Lighting Innovation
- Lighting MT

### New Construction – Non-residential

- Savings by Design

### Government Partnerships – Institutional

- Community Colleges
- UC/CSU

### Downstream Programs

- Water Infrastructure & System Efficiency (WISE) Program