

**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

---

**COMMENTS OF THE COUNTY OF LOS ANGELES,  
ON BEHALF OF THE SOUTHERN CALIFORNIA REGIONAL ENERGY  
NETWORK ON COMMISSION STAFF PROPOSAL ON MARKET  
TRANSFORMATION**

Minh Le  
General Manager, Energy and  
Environmental Services  
County of Los Angeles  
1100 North Eastern Avenue  
Los Angeles, CA 90063-3200  
(323) 267-2006  
MSLe@isd.lacounty.gov

For the Southern California Regional  
Energy Network

October 4, 2018

## **I. Introduction**

The County of Los Angeles, on behalf of the Southern California Regional Energy Network (SoCalREN), is pleased to submit these comments on the Market Transformation Staff Proposal. Led by the County of Los Angeles, the SoCalREN designs and implements comprehensive and effective energy programs on a regional scale and draws on the leadership and experience of Southern California public agencies to promote and implement transformative energy solutions in multiple sectors within their communities.

## **II. Comments on Staff Proposal**

SoCalREN expresses its appreciation to CPUC staff for developing the Market Transformation Proposal. The document builds upon the groundwork laid by the Rolling Portfolio Mechanics that are outlined in D.15-10-028. The proposal also sets the stage for ensuring that integrated resources can synergistically contribute to both SB 350 and SB 100 goals linked to creating a decarbonized California. We would encourage the CPUC and stakeholders to consider the following questions as the proposal is further developed going forward.

### **What new definitions and indicators are needed for evaluating when the “market is transformed” in the context of decarbonization mandates?**

- For example, if a homeowner converts from a natural gas to electric water heater, today’s program evaluation metrics define these efforts as ineligible for rebates or incentives using ratepayer funds, yet the conversion significantly reduces carbon emissions.

### **What magnitude of interventions are needed to fully realize market transformation, and will these interventions need to be far greater than what is defined as the “current market potential” to subsidize interventions?**

- For example, current EE portfolio goals are based on what the ‘market will bear’ rather than the much broader transformation that is necessary to bring the market into alignment with a decarbonized energy system. To achieve such an outcome, the issues of how much additional EE is needed, where it needs to be located, and how it can have the highest positive impact on the grid are all critically relevant.

### **How can market transformation policy efforts truly integrate and evaluate all energy resources on an equal footing tied to how effectively they contribute to a decarbonized energy system?**

- For example, electricity saved from an EE retrofit will have more or less value to the grid and to decarbonization efforts based on the time of day when the usage is reduced, the specific distribution system circuit that is impacted, and whether or not the customer has on-site energy storage capabilities. An effective market

transformation strategy must encompass and address these critically important variables.

**What can the CPUC do to attract the private capital investment needed to create market-based solutions for EE so that reliance on ratepayer funds can be reduced?**

- For example, the CEC's 2015 AB 758 Action Plan states: "Doubling of energy savings in California's buildings... is equivalent to a 20 percent reduction in statewide building energy use in 2030 compared to projected levels of usage and is realized by stimulating an **\$8 billion/year** efficiency marketplace." Accordingly, it is incumbent upon the CPUC to develop and adopt market transformation policy parameters that help propel the growth of private capital investments in EE and, when combined with the strategic investment of ratepayer funds, keep California on its scheduled path to achieve a decarbonized energy system.

**III. Conclusion**

As a program administrator, SoCalREN enthusiastically recognizes its responsibility to submit an initial market transformation initiative plan and looks forward to participating in the ensuing discussions and workshops related to market transformation initiatives. We appreciate the opportunities that will be provided by the Commission to explore new program delivery approaches that will accelerate California's decarbonization.

October 4, 2018

Respectfully Submitted,

COUNTY OF LOS ANGELES AND  
SOUTHERN CALIFORNIA REGIONAL  
ENERGY NETWORK

/s/ Minh Le

Minh Le  
General Manager, Energy and Environmental  
Services  
County of Los Angeles  
1100 North Eastern Avenue  
Los Angeles, CA 90063-3200  
(323) 267-2006  
MSLe@isd.lacounty.gov  
For the Southern California Regional Energy  
Network