

Application No.: A.08-07-021
Exhibit No.: SCE-6 ~~Second Amended~~
Witnesses: G.E. Rodrigues



(U 338-E)

***SCE's ~~2009-2011~~ 2010-2012 Energy Efficiency
Demand Side Management Integration and
Coordination***

Before the
Public Utilities Commission of the State of California

Rosemead, California
July 2, 2009~~March 2, 2009~~

1 I.

2 DEMAND SIDE MANAGEMENT INTEGRATION AND COORDINATION

3 A. Background

4 In D.07-10-032, the Commission directed the California IOUs to undertake a strategic
5 planning process and develop a draft California Energy Efficiency Strategic Plan (CEESP)
6 designed to lay out a comprehensive long-term strategy through 2020.¹ This decision also
7 directed that the CEESP include a strategy for integration across the full range of Demand Side
8 Management (DSM) options.² Further, the Commission directed the utilities use the draft
9 CEESP to inform the 2009-2011 portfolio of energy efficiency programs.³ On September 18,
10 2009 the Commission adopted the final version of the CEESP, the California Long Term Energy
11 Efficiency Strategic Plan (Strategic Plan or CLTEESP), which specifically addresses the need for
12 integrated DSM in Chapter 8 as well as throughout the Strategic Plan.

13 The Commission convened a coordinated DSM workshop on March 7, 2008, which
14 included discussion of foundational issues and IOU presentations of proposed coordinated
15 marketing efforts and program pilots. The Commission then issued the April 11, 2008 Joint
16 ACR in R.06-04-010 and R.07-01-041, providing additional guidance to the utilities in this
17 regard. In particular, an order of priority was established for Integrated Demand Side
18 Management (IDSM) activities:⁴

- 19 1. Comprehensive and coordinated marketing, packaging and delivery
20 2. Operation improvements
21 3. Optimization

¹ D. 07-10-032, p. 141.

² *Id.*, p.73., D. 07-10-032, p. 141.

³ *Id.*, p.144.

⁴ Joint Assigned Commissioners' Ruling Providing Guidance on Integrated Demand-Side Management in 2009-2011 Portfolio Applications dated April 11, 2008, p. 7.

1 The Joint ACR also included instructions that “IDSM programs involving the use of
2 demand response funds should be clearly indicated in both energy efficiency and demand
3 response applications.”⁵

4 Southern California Edison’s (SCE) Proposed Program Plan for ~~2009-2011~~ 2010-2012
5 complies with this direction. The portfolio includes new initiatives to promote IDSM and a fully
6 integrated strategy of information, messaging, and outreach. SCE’s proposed portfolio continues
7 and expands its efforts focused on integration of energy efficiency and demand response
8 programs. In alignment with the December 12, 2008 Assigned Commissioner and
9 Administrative Law Judge’s Ruling Modifying Schedule and Requiring Additional Information
10 For 2009-2011 Supplemental Filings⁶, each Program Implementation Plan for the ~~2009-2011~~
11 2010-2012 funding period addresses integrated DSM. In response to Energy Division
12 constructive comments on draft plans for 2009-2011, the IOUs have collaborated with the
13 Energy Division to develop a Statewide Integrated Demand Side Management Strategy.

14 The Statewide strategy for IDSM proposes a statewide task force comprising IOU
15 members from EE, DR, and other stakeholder organizations as well as members from the Energy
16 Division and selected third-party experts. This activity is described in the Statewide Demand-
17 Side Management Coordination Program Implementation Plan. In brief, the Task Force will
18 coordinate the activities described in this testimony as well as addressing issues such as cost-
19 effectiveness, shared savings, etc. that affect the penetration of IDSM. The Task Force
20 represents an important policy evolution, as SCE will join forces with both the other IOUs and
21 the Commission to move IDSM forward.

22 **B. Protocols For Funding Source Allocations And Disbursements**

23 An important consideration for the successful integration and coordination of energy
24 efficiency and demand response is the development of financial protocols for the allocation of

⁵ *Id.*, p. 14.

⁶ Assigned Commissioner and Administrative Law Judge’s Ruling Modifying Schedule And Requiring Additional Information For 2009-2011 Supplemental Filings, dated December 12, 2008, OP#4, p. 4.

1 program-specific costs across integrated delivery channels. This section will address the
2 identification of appropriate funding sources for each of the coordinated IDSM technologies,
3 pilots, and programs.

4 SCE will draw from multiple authorized funding sources for the operational budgets for
5 the IDSM programs identified in this Application. There are two categories of costs associated
6 with the program proposals: (1) additional “stand alone” operational costs associated
7 specifically with the DSM programs proposed in this Chapter, and (2) incremental marketing and
8 incentive funding to be drawn from the existing energy efficiency, demand response, renewables,
9 and other programs as identified to achieve the energy and demand savings goals of the
10 programs proposed.

11 For each DSM program initiative or pilot program requested, there is a corresponding
12 operational budget identified that is necessary to fund SCE’s project management, third-party
13 contractors, and other resources that are specific to the implementation of the program.
14 Additionally, incremental incentives from other programs, such as Commercial, Industrial,
15 Agricultural, New Construction, and Technology Assistance & Technology Incentives (TA&TI)
16 will be added to the existing energy efficiency and demand response program budget requests
17 and specifically set aside to fund the DSM initiatives. This specific and incremental funding
18 source approach accomplishes three objectives: (1) provides the DSM programs with a specific
19 operational focus by allocating specific funds for management and third parties to accomplish
20 the goals of the programs; (2) associates incremental incentive funding from the individual
21 energy efficiency, demand response, and renewable programs and other programs, which
22 maintains individual program funding and goal accomplishment; and (3) provides for a “clean
23 slate” financial tracking mechanism to identify and report incremental DSM program costs under
24 separate accounting that are distinct from the energy efficiency and demand response program
25 portfolio funding.

26 For shared costs among two or more DSM programs, costs will be allocated based on the
27 size of the approved budgets.

SCE will also look for opportunities to leverage third-party contractors to coordinate DSM offerings. Costs for this will be attributed to the applicable DSM program area.

C. Funding Request

**Table I-1
IDSMS Programs
Forecast Expenses ~~2009-2011~~ 2010-2012**

Line No.	Expense Type	Forecast (\$)	
		2009-2011	<u>2010-2012</u>
		DR	EE
1.	Nonresidential New Construction ⁷	831,674	\$49,245,000
2.	Residential New Construction ⁸	417,066	\$24,894,000
3.	Institutional & Government Partnership Initiatives	327,003	\$45,914,000
4.	IDSMS Pilot for Food Processing	291,628	\$694,000
5.	WE&T Connections (EE)/SmartStudent (DR)	149,485	\$9,056,000
6.	IDEAA Programs	543,492	\$55,154,569 <u>\$56,820,486</u>
7.	TRIO Program	310,401	\$1,200,000 <u>\$1,285,000</u>
8.	Statewide IDSMS Program	88,785	\$1,264,000
9.	Total	2,959,534	\$187,421,569

D. Proposed and Enhanced Programs to Advance DSM Integration

1. Overview

As part of its ~~2009-2011~~ 2010-2012 Energy Efficiency and ~~2009-2011~~ Demand Response Applications, SCE proposes multiple initiatives designed to 1) pilot new integrated program concepts, and 2) integrate additional DSM options into existing program designs that have been successful as stand alone energy efficiency or demand response programs. All of the proposed programs are viewed as pilots because the expectation of increased efficacy is based

⁷ For energy efficiency, this includes Savings By Design.

⁸ For energy efficiency, this includes California Advanced Homes.

1 primarily on judgment. SCE selected markets and platforms for the pilots based on 1) its
2 judgment that they have a high potential for end use consumer acceptance and/or adoption of
3 recommended measures; 2) they provide reasonable opportunities to maximize the benefits of
4 integration; and 3) they will serve as good platforms for expanding/modifying the range of
5 integration to further evaluate the best methods and technologies to promote integration. It must
6 be remembered that while SCE can promote the adoption of integrated measures, it is ultimately
7 a customer choice to implement the recommendations in the absence of mandating regulations.
8 Section 2 presents an overview of each new and enhanced program; for more program
9 information, please see the detailed program implementation plans (PIPs) in Exhibits SCE-3,
10 SCE-4, and SCE-5. As noted earlier, the pilots will be coordinated and assessed by the new
11 proposed Statewide IDSM Task Force, which may also propose additional pilots.

12 **2. Program Proposals**

13 The primary objective of each proposed program is to deliver energy and demand
14 benefits to ratepayers in the immediate and intermediate future. The second objective is to
15 pursue long-term resource and general environmental benefits by supporting the Zero Net
16 Energy and sustainability goals embraced collaboratively through the California Energy
17 Efficiency Strategic Planning process. Consequently, each program is comprised of both proven
18 and promising elements. While promising, some program elements may prove unsatisfactory;
19 those that do will be augmented or replaced. Those that succeed will be enhanced or expanded.

20 In addition, with experience, additional ideas will arise. SCE intends to introduce
21 new pilot efforts to continue to expand the understanding and benefits of integration, and
22 coordinate these with the Statewide IDSM Task Force. SCE believes that its proposals regarding
23 DSM integration and coordination comply with the direction and suggestions received from the
24 Commission and its Staff.

25 a) **Savings by Design (Non-residential New Construction) Integrated DSM**

26 Opportunities for energy efficiency measures for implementation in non-
27 residential new construction have been addressed for years under SCE's Savings by Design

1 program. This program has been very successful in achieving improvements in commercial
2 building energy efficiency (EE) over the current California building standards. The guidelines
3 and measures for improvements for saving energy over the life of the building are clearly defined
4 and prescriptive for that customer market segment.

5 What may not be clear for SCE’s larger commercial customers is how
6 technologies for demand response and on-site generation can be integrated in new construction
7 projects. Demand response (DR) is a short-term reduction in energy usage from the customer’s
8 typical operations, and experience from SCE’s TA&TI shows that while retrofitting a building
9 with demand response enabling technology can benefit existing customers, the integration of this
10 technology as part of the design in a new construction approach, while challenging, is clearly
11 more cost-effective than retrofitting an existing building.

12 The Savings by Design DSM Initiative is a new approach that SCE will
13 use to leverage existing delivery channels for energy efficiency in the non-residential new
14 construction market, and integrate energy efficiency, demand response, and renewable program
15 components. This initiative seeks to create a path to “Zero Net Energy” (ZNE) projects that can
16 be modified over time to incorporate more and/or different DSM measures to ultimately meet the
17 policy goal of ZNE commercial buildings. The program will be integrated with current projects
18 in the energy efficiency pipeline for “quick wins” early in the funding cycle.

19 This integrated approach for Savings by Design DSM will build capability
20 within the design and construction community and encourage adoption of demand-response
21 enabling technologies. This approach will also capture the lost opportunities that result when
22 program implementers focus on energy efficiency to the exclusion of emerging technologies that
23 provide for demand response. By expanding beyond the scope of enhanced energy efficiency,
24 new buildings can increase their potential for saving energy on a dispatchable basis through a
25 demand response program. Building systems to promote DR include enhanced energy
26 management systems, dimmable and dispatchable ballasts, intelligent lighting and heating,
27 ventilation and air conditioning (HVAC) controls, and automated building control systems.

1 These systems are capable of responding to web-based dynamic pricing signals (such as
2 exemplified by the current auto demand response program).

3 The initiative will also assess the opportunities for the integration of
4 delivering renewable generation to the non-residential new construction segment. Many of the
5 same reasons that make EE and DR more cost effective in new construction than retrofit, also
6 apply to on-site renewable generation. This is particularly true with building-integrated PV,
7 which can offset some of the material costs associated with envelope materials. In addition, for
8 developers or institutions with an interest in promoting the green attributes of their project, the
9 visibility of renewable technologies such as PV or wind turbines can help sell the project in ways
10 that “invisible” EE or DR elements cannot.

11 b) [California Advanced Homes \(Residential New Construction\) Integrated](#)
12 [DSM](#)

13 The need for a residential integrated DSM program is driven by three
14 interrelated market forces. First, southern California’s population continues to grow, and this
15 growth drives demand for new residential housing. Second, the new home market is in a historic
16 economic decline and builders face the challenges of meeting new state energy code
17 requirements, differentiating themselves from the competition, and keeping their prices
18 competitive with the existing homes for sale. Third, new communities are often located in hotter
19 climates or in areas with constrained electrical distribution services. As more developments with
20 larger homes and larger heating and cooling systems are built in warmer regions, the need for
21 both increased overall efficiency and effective responsiveness to future dynamic pricing for
22 electricity is clear.

23 For SCE, California Advanced Homes Program (CAHP) has proven itself
24 able to deliver energy efficient measures to this market in a cost-effective manner. California
25 Advanced Homes Integrated DSM continues CAHP’s track record in energy efficiency and
26 expands it to incorporate demand response enabling technologies as well as renewable

1 generation measures. The goal is to integrate DR and SGIP with the new homes' efficiency
2 measures to achieve more cost-effective delivery of the combined technologies.

3 California Advanced Homes Integrated DSM will leverage its existing
4 marketing, outreach, and collaborative partnership relationships with the homebuilding industry.
5 SCE intends to leverage these relationships to enhance demand response program participation,
6 in addition to energy efficiency and renewable program elements. The CAHP also includes the
7 Zero Net Energy Homes sub-program which will work with builders to construct ZNE
8 demonstration projects, evaluate technologies in concert with ET, and create case studies and
9 lessons learned for future projects. In 2010, as the Edison SmartConnect™ program will be
10 rolled out to areas that may include new construction, the program will integrate enabling
11 technologies such as programmable communicating thermostats that will be able to leverage the
12 enhanced functionality of the SmartConnect meters.

13 California Advanced Homes Integrated DSM will build upon its
14 relationship with the development community to deliver demand response technologies
15 alongside energy efficiency. Examples of these technologies include controllable lighting
16 systems, in-home displays, and any new and emerging energy efficiency, renewable, energy
17 storage or peak demand management technologies that can add desirability for builders and
18 future homeowners. CAHP will also assess the opportunities for the integration of enabling
19 technologies associated with self-generation in this sector, which can range from wind and solar
20 local generation, standby storage, and plug-in hybrid vehicles.

21 c) [Institutional & Government EE Partnerships Initiative](#)

22 Energy Efficiency partnership programs that leverage the institutional
23 customer sector as an energy program delivery channel are an excellent example of a successful
24 delivery channel for DSM programs. SCE has a number of these partnership programs in place,
25 with varying levels of market penetration, partnership models, and bilateral agreement terms. A
26 good example is the SCE Energy Leader Partnership model that creates energy partnerships with
27 local governments to generate savings through municipal retrofits and community outreach.

1 Plans are already in place to integrate other DSM measures such as demand response education,
2 outreach, and rebate incentives. While SCE’s partnership model already coordinates both energy
3 efficiency and demand response recommendations, they have been undertaken as separate
4 activities. This proposal would target customers that would best benefit from integrated
5 measures and then develop and promote adoption of integrated proposals that include a
6 comprehensive range of DSM options. This emphasis is new to SCE’s partnership program.

7 Rather than duplicate these efforts or interfere with the delivery process at
8 the community level, SCE’s demand response and energy efficiency groups have partnered to
9 use the energy efficiency Institutional & Government Energy Efficiency Partnership delivery
10 channel as a means to maximize comprehensive DSM opportunities. With an already established
11 relationship with multiple federal, state, and local government agencies, the SCE’s Energy
12 Efficiency Division can enhance their program delivery to this “hard-to-reach” customer
13 segment, providing an excellent opportunity for deploying integrated DSM programs, including
14 demand response, energy storage, and renewable generation.

15 For the institutional customers, energy efficiency, demand response, and
16 renewable power all have the same “look and feel” to them as an “energy” category. Though
17 currently separated by regulatory definitions and organizational boundaries, the different DSM
18 programs need to be integrated in both delivery and operation. At the very least, collaboration
19 within the larger delivery channel will provide benefits such as a comprehensive message, a
20 unified program, and coordinated incentives, which can reduce costs and increase customer
21 satisfaction. In addition, since this market sector typically has multiple approval steps, stringent
22 financial requirements, and longer construction lead times for the implementation of energy
23 efficiency measures, it makes sense to work with the current delivery channel rather than to
24 develop a parallel effort that may duplicate and possibly neutralize current partnerships.

25 d) [IDSMS Pilot for Food Processing](#)

26 California has a very strong agricultural production and food processing
27 industrial base. This customer sector represents an important opportunity for coordinated DSM

1 program integration. The IDSM Pilot for Food Processing is a new program that combines
2 integrated auditing, resource efficiency labeling, and continuous improvement methods to
3 maximize the operating efficiency of customer facilities and to minimize energy and demand
4 resource requirements. Incentives are provided through existing program delivery channels, and
5 the costs of the pilot are limited to administrative, technical support, and consulting services.
6 Projects in this initiative will be site-specific and will be tailored to each facility to seek
7 comprehensive resource efficiency improvements. Additional benefits will include behavioral
8 improvements across energy utilization and waste management, and water usage.

9 The program’s integrated approach combines traditional measures (energy
10 efficiency retrofits and/or upgrades) along with strategies to help customers manage and/or
11 reduce their energy demand during peak periods, especially during hot summer days. By
12 combining these two approaches, this initiative provides the customer with a comprehensive
13 solution to manage day-to-day energy costs and develop a demand response plan to enable the
14 facility to respond to days of high energy use (peak periods) when energy demand is critical.
15 While the primary program focus is energy efficiency, the development of measures emphasizes
16 integrated solutions in proper sequence (energy efficiency first, then demand response) to
17 support the most cost-effective and satisfactory energy and financial solutions for these
18 stakeholders.

19 The IDSM Pilot for Food Processing will deliver an integrated solutions-
20 driven approach specific for this customer segment, while leveraging the offerings of SCE’s
21 portfolio of energy efficiency and demand response incentive-based programs. Additionally, the
22 long-term solutions will adopt the concepts of continuous improvement and best practices,
23 capture emerging technologies that can maximize energy and demand savings, and optimize
24 systems and technologies that will enable multiple DSM options.

25 e) [Technology Resource Incubator Outreach Program \(TRIO\):](#)

26 New technologies and methods are required to achieve the fullest use and
27 benefit from Integrated DSM. This is not unique to integration; it is also true for every DSM

1 option. However, unlike the individual DSM options, there are very few existing integrated
2 measures. Ultimately, integrated measures must be developed and promoted. TRIO is a new
3 program designed to find, fund, and field-test the best of new technologies and technology
4 delivery approaches from the university marketplace and to provide the opportunity to
5 mainstream them into the overall SCE-managed energy efficiency portfolio of proven,
6 successful, and reliable programs. TRIO places much more emphasis on innovation and
7 promotion of promising technologies. These promising technologies will be nurtured and
8 developed through workshops designed to teach the implementer how to do business with
9 utilities. The workshops will guide the technology developer through work paper format and E3
10 calculator training. Once this training has been completed, a proposal will be submitted to
11 several possible SCE-sponsored programs and will be scored using the current scoring criteria
12 for the ~~2009-2011~~ 2010-2012 program cycle. Integrated measures will be emphasized as a pilot
13 effort in the inaugural years of the TRIO Program.

14 **3. Other Coordinated Activities**

15 As part of the solicitation activities, SCE will also look to third parties for ideas
16 on how to integrate and coordinate with other offerings as part of the energy efficiency
17 implementation and delivery. As with the pilots, these activities will be tracked and assessed by
18 the Statewide IDSM Task Force to ensure effectiveness and integration. With respect to costs,
19 SCE will use the same attribution rules discussed in Section B of this Chapter. Coordination
20 activities in the ~~2009-2011~~ 2010-2012 portfolio include:

- 21 (a) IDSM Third-Party Solicitation (IDEEA): The third party solicitations are
22 designed to solicit program ideas centered on technologies and/or program
23 designs that integrate energy efficiency with other demand-side offerings,
24 such as demand response, self-generation, CSI, etc. The objective is to
25 deliver persistent, innovative, and sustainable electric energy savings and
26 to reduce utility administration costs.

- 1 (b) WE&T Connections Program (energy efficiency)/Smart Student Program
2 (Demand Response): this education program leverages the energy
3 efficiency WE&T Connections Program to promote demand response
4 programs, and is delivered through two proven coordinated program
5 strategies – Green Schools and Living Wise. SCE will modify the 2006-
6 2008 energy efficiency portfolio’s LivingWise[®] kit contents as well as the
7 Green Schools Compact Fluorescent Lamp Exchange events to include
8 information and incentives tied to enrollment and participation in demand
9 response’s Summer Discount Plan (SDP). Green Schools will also
10 continue distributing SCE Residential Savings Guide to students in 2008
11 which includes demand response’s SDP.
- 12 (c) Online Buyer’s Guide: Promotes incentives available through demand
13 response and CSI programs.
- 14 (d) Private Schools & Colleges sub-program: Provides referrals to demand
15 response and information about distributed generation, as applicable.
- 16 (e) Comprehensive Home Performance Program: Encourages and integrates
17 demand response, CSI, self-generation and SmartConnect[™].
- 18 (f) Energy Efficiency for Entertainment Centers: Encourages and assists
19 enrollment in demand response programs.
- 20 (g) Appliance Recycling Sub-Program: Energy efficiency’s Appliance
21 Recycling Program will coordinate with demand response’s SDP by
22 designing joint marketing messages that will increase participation in both
23 energy efficiency and demand response programs.
- 24 (h) Mobile Education Unit: The Mobile Education Unit is a converted
25 recreational vehicle equipped with program literature, educational
26 materials and technologies and displays that promotes SCE’s DSM
27 offerings including energy efficiency, demand response, and CSI.

1 (i) Edison SmartConnect™ is an Enabling Technology for Integrated DSM:
2 In Edison SmartConnect™ Phase III Application (A.07-07-026), SCE
3 has proposed to install 5.3 million state-of-the-art “smart” meters in
4 households and businesses under 200 kW throughout its service territory
5 beginning in 2008. These “smart” meters will be part of SCE’s advanced
6 metering infrastructure (AMI), Edison SmartConnect. This system of 5.3
7 million meters and ubiquitous yet secure communication standards enables
8 powerful customer tools to manage energy consumption, enhances the
9 customer service efficiency, opens up new services with smart technology,
10 expands dynamic rate alternatives, and provides a flexible, robust platform
11 that can create additional future value for SCE’s customers. As such,
12 Edison SmartConnect™ more than adequately supports federal and state
13 energy policy objectives.

14 Customer access to interval electricity information is one of the
15 core tenants of AMI. Such data is currently only available to large
16 customers with demands greater than 200kW. Edison SmartConnect™
17 will allow SCE to expand the availability of both historical and near-real
18 time interval usage data to the masses. Both forms of data can be
19 presented and analyzed through a variety of communication channels,
20 including the Internet and customer-owned home area network (HAN)
21 devices. The availability of these various forms of information is a critical
22 component of SCE’s IDSM efforts, which is focused on sustaining
23 socially responsible changes in customer energy consumption through
24 energy conservation, demand response, energy efficiency and other
25 advanced technologies.

26 SCE expects customers to conserve energy from the combination
27 of customer access to historical and near real time usage data provided by

1 the Edison SmartConnect™ meter. Whereas near real time information
2 works like a speedometer – showing the current rate of energy
3 consumption – the historical cumulative displays act like an odometer –
4 showing total energy used to date. Experience to date indicates clearly
5 that information feedback reduces total electricity consumption. In a
6 Meta-study of over 100 demand response programs, electricity customers
7 cut energy consumption by as much as 20 percent. The results indicate
8 that information feedback provides a positive reinforcement from changes
9 in customers’ behavior. A clear and positive conservation effect is derived
10 from providing customers historical and near real time usage information.
11 The evolution of providing information feedback will eventually move
12 from passive to proactive whereby customers will have notifications or
13 automated responses to signals from the utility. By providing proactive
14 communication in the style of “alerts” and notifications, SCE’s customers
15 will experience an even greater conservation effect. In the above
16 automotive analogy, the alerts work like warning indicators – showing a
17 condition that should be responded to. The Tier Alert program is a clear
18 example of SCE’s approach of leveraging the SmartConnect™
19 infrastructure to provide important customer feedback to encourage energy
20 conservation.

21 In addition, Edison SmartConnect™ will be instrumental in
22 designing new demand response programs for managing peak
23 consumption among millions of customers. The availability of interval
24 usage information enables dynamic pricing options which provide
25 incentives for customers to shift their usage, in part or whole, to off-peak
26 hours, resulting in avoided capacity benefits. Edison SmartConnect™ will
27 also allow all residential and business customers to participate in

1 reliability and economically dispatched programs as part of a more
2 comprehensive IDSM approach, in addition to current base load control
3 and DR programs. The ability for the new meter to communicate and
4 exchange data with other devices on the customers' premises serves as a
5 critical component in the design of future DR programs. The added
6 dimension of interval data provides SCE the opportunity to design
7 advanced rates and programs to assist over five million customers better
8 manage and understand their energy consumption.

9 Furthermore, as customers receive more informative data and
10 analyses about the cost of their energy usage through Edison
11 SmartConnect™, it is expected that their interest will increase in EE
12 programs that help them to more permanently reduce their energy
13 consumption. For example, with Edison SmartConnect™, a customer can
14 view the bill impacts of installing an energy efficient appliance the day
15 after it is installed using historical comparative analysis. In addition, SCE
16 will be able to expand valuable energy analytic tools, which currently are
17 only available to its large customers. These tools can help customers
18 forecast bill reductions that result from investments in energy efficient
19 products and services.

20 Finally, promising new technologies enabled by Edison
21 SmartConnect™ offer the potential to significantly broaden the field of
22 stakeholders in the energy management arena of the future for IDSM
23 programs, thereby promoting more effective use of capacity resources. In
24 anticipation of future changes in technology and changes in regulatory
25 policy objectives, SCE has designed flexibility into its Edison
26 SmartConnect™ system to accommodate the likelihood of IDSM
27 programs (including plug-in hybrids), future building code changes, in-

1 home energy information displays, smart grid management, and
2 distributed resources.

3 By expanding interval usage information to essentially all of
4 SCE's customers, Edison SmartConnect™ is a critical component in
5 facilitating the effective delivery of IDSM to over five million SCE
6 customers. As the gateway into these customers' premises, Edison
7 SmartConnect™ will serve as a critical component in the infrastructure
8 required to support the entire portfolio of IDSM measure types. In short,
9 Edison SmartConnect™ is that platform that will serve as the springboard
10 to wide-scale adoption of IDSM programs in the future.

11 **E. Coordinated DSM Marketing**

12 The objective of SCE's marketing, education and outreach efforts from ~~2009 to 2011~~
13 2010 to 2012 is to maximize energy efficiency savings and move customers towards adopting an
14 energy-efficient lifestyle. Marketing, education and outreach campaigns, and materials will be
15 developed in a manner that leverages statewide branding, in order to maximize participation,
16 market transformation, and adoption of long-term energy efficiency behaviors. SCE's marketing
17 efforts are consistent with the Strategic Plan's objectives in that it leverages an integrated
18 portfolio of DSM programs. These marketing efforts will be coordinated statewide per
19 Commission directions to create a series of Statewide EE programs (see Exhibit SCE-3 for more
20 detail's).

21 SCE will also continue to develop integrated marketing campaigns, which have been a
22 key part of the utility's marketing efforts since 2002. The integrated marketing campaigns use
23 customer segmentation research to better understand customers and provide them with a wide
24 range of action-oriented solutions that will maximize energy savings. Segmentation will also
25 enable SCE to customize the characteristics of its offerings, providing customers with solutions
26 that are relevant to their needs.

1 In order to accomplish SCE’s key objectives, marketing efforts will be designed to move
2 consumers through a continuum from awareness, to attitude change, to long-term behavior
3 change. Given the diversity of SCE’s customer base, SCE will use multiple layers of integrated
4 marketing to effectively reach customers and drive them to action.

5 Integration will be achieved by presenting IDSM as the complete energy management
6 solution that can help customers save energy and manage their energy costs, while helping the
7 environment. SCE will ensure customers clearly understand “energy management” as a whole
8 with respect to how all of the components of the DSM portfolio work together.

9 Integrated marketing begins with understanding the customer and providing them with
10 relevant solutions, which may include energy efficiency, demand response, Low Income Energy
11 Efficiency (LIEE) EE, California Solar Initiative (CSI), and SmartConnect™ offerings.

12 Customer segmentation will enable SCE to target customers with integrated marketing
13 solutions that are relevant. For example, SCE could use its segmentation to identify customers
14 who are proactive savers and conservers and provide solutions including rates, demand response
15 programs, and energy efficiency rebates. SCE could also send relevant messages to
16 conservationists to help them lower their carbon footprint, providing solutions such as integrated
17 energy efficiency/demand response audits, Summer Discount Plan, CSI, and energy efficiency
18 measures. By providing customers with relevant solutions made up of programs and services
19 from across SCE’s DSM portfolio, customers will be able to more effectively take action that
20 benefits them, the environment, and SCE’s community

21 **F. Attribution of Energy Savings**

22 **1. Background**

23 **a) Foundational Issues**

24 One of the projected key benefits of integrating demand-side programs is
25 enabling broader and deeper penetration of markets to reach the multiple program goals of
26 energy savings, peak demand reductions, system-callable load management, and displacement of
27 other energy sources with renewable energy sources.

1 Two critical principles for integrated programs are to assure that:

- 2 ■ All these benefits are accounted for, and
- 3 ■ They are each counted only once for the combined program effect.

4 In fact, satisfying these principles is actually more feasible for an
5 integrated program than for programs that are not coordinated. When programs are not
6 coordinated, the effects of one program on another are easily overlooked. Energy efficiency
7 programs that reduce peak demand generally reduce the callable load reduction potential of
8 demand response programs. A demand response program that provides addressable dimmable
9 ballasts to enable load reduction when a demand response program is called, also provides a
10 possible conservation option that may or may not be captured by the customer, and is certainly
11 not counted.

12 b) Commission Guidance

13 The Joint ACR requires that the utilities' pilot programs should enable and
14 include "the identification and testing of different energy savings attribution methodologies
15 potentially feasible for use in IDSM pilot projects or programs." This should include testing the
16 stepwise attribution approach outlined by Energy Division at the March 7 workshop.

17 2. Plan for Identification and Testing of Different Savings Attribution
18 Methodologies

19 Initial identification of potential measurement approaches to be tested should be
20 completed in ~~2009~~2010. Evaluation, Measurement, and Verification (EM&V) staff at the
21 utilities and the Commission and/or their assigned contractors will review the literature on
22 attribution methods and identify and develop approaches that are most appropriate for IDSM
23 programs. These approaches should be informally communicated to the other organizations.
24 Utility EM&V staff will then schedule a workshop to discuss the options and the issues each one
25 raises, and identify which options may work best with which programs. Utility EM&V staff will
26 then work with the pilot program managers at their utility to assure that detailed program design
27 and implementation procedures take into account the need to gather data necessary for the testing

1 of a the most appropriate approaches. These approaches will include the stepwise approach
2 described by Energy Division.

3 As is the case with other EM&V plans, it is not feasible to develop strong impact
4 evaluation plans before program and portfolio plans are completed.

5 There are numerous other important issues that could be illuminated by process
6 and impact evaluations of the pilot programs. Among them are:

- 7 ▪ The hypothesis that integrating or coordinating programs will reduce
8 program marketing and administration costs;
- 9 ▪ The hypothesis that integrated/coordinated programs will enable deeper
10 and broader program penetration in the target population;
- 11 ▪ The mix of individual program goal achievements;
- 12 ▪ The role of integrated approaches in furthering progress towards ZNE
13 goals;
- 14 ▪ The effects of alternative cost allocation approaches; and
- 15 ▪ The tradeoffs between customer choice and technology optimization.

16 **G. IDSM Cost-Effectiveness**

17 **1. Background**

18 Cost-effectiveness analysis of IDSM measures presents significant challenges
19 because of the different characteristics and resource values associated with the different types of
20 measures that could conceivably comprise IDSM programs. As directed in the Joint ACR, SCE
21 has provided recommendations regarding methodologies to perform cost-effectiveness analysis
22 of IDSM programs. However, SCE views its recommendations simply as a starting point for
23 discussion. In its initial filing on this proceeding in July 2008, SCE recommended that a series
24 of workshops be held to further examine and develop cost-effectiveness methodologies for
25 IDSM programs. Ideally, these workshops would be conducted in conjunction with workshops
26 to examine attribution (i.e., measurement and evaluation) protocols for IDSM programs. This is

1 still the case, but in addition, the Statewide Task Force will coordinate the assessment of cost-
2 effectiveness methodologies.

3 a) Commission Guidance

4 There is currently no Commission guidance regarding specific
5 methodologies to perform cost-effectiveness analysis for IDSM programs. The Assigned
6 Commissioner's and Administrative Law Judge's Ruling Regarding Cost-Effectiveness Metrics
7 And Energy Efficiency Policy Manual, dated March 14, 2008 (March 14 Ruling), identified one-
8 stop shop coordinated DSM delivery and statewide IDSM Marketing, Education and Outreach
9 (ME&O) activities as specific strategies in the CEESP that may require alterations to the Energy
10 Efficiency Policy Manual in order to affect their launch and full implementation in a timely
11 fashion.⁹ In their comments to the March 14 Ruling, the Joint Utilities requested that the
12 Commission ensure consistency of cost-effectiveness methodologies across the various DSM
13 proceedings, including a consistent value for a carbon adder that can be used for demand-side
14 and supply-side resources:

15 "In advance of the May 15 Strategic Plan and Portfolio Application
16 filing, the Joint Utilities encourage the Commission to strive for
17 consistency with cost effectiveness approaches developed for other
18 demand-side resources when making modifications to current energy
19 efficiency cost-effectiveness metrics and to the Energy Efficiency
20 Policy Manual. In particular, See discussion infra Section II.B.3.,
21 recommending that the energy efficiency rulemaking leverage recent
22 work in the demand response rulemaking (R.07-01-041) to ensure
23 consistent methodologies for cost-effectiveness evaluation. Further,
24 on the issue of the appropriate level for a carbon adder, multiple
25 Commission proceedings are currently examining the value of a
26 carbon adder to be used in resource valuation. These proceedings
27 affect both demand-side and supply-side resources and include R.06-
28 04-010, R.07-01-041, and R.06-02-012. It is important that a
29 consistent value for a carbon adder be used across all of these
30 proceedings so that all resources, demand-side and supply-side, are
31 valued in a comparable manner."¹⁰

⁹ Assigned Commission's and Administrative Law Judges' Ruling Regarding Cost-Effectiveness Metrics and Energy Efficiency Policy Manual, dated March 14, 2008, pp. 2-3.

¹⁰ Response of Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company to Assigned Commissioner's and Administrative Law Judge's Ruling Regarding Cost-Effectiveness Metrics and Energy Efficiency Policy Manual, dated April 1, 2008, pp. 15-16.

1 The Joint Utilities also provided multiple policy proposals for the Energy
2 Efficiency Policy Manual to accommodate the DSM integration and coordination strategies in
3 the CEESP in response to the March 14 Ruling.¹¹ The Division of Ratepayer Advocates (DRA)
4 also acknowledged the importance of cost-effectiveness guidelines for IDSM cost-effectiveness
5 in their reply comments to the March 14 Ruling. Further, DRA recommended that the
6 Commission establish a new Order Instituting Rulemaking to consider integration of DSM
7 programs, including the adoption of common avoided costs and cost-effectiveness
8 methodologies.¹² However, there was no specific guidance regarding coordinated/integrated
9 DSM in Revision 4.0 of the Energy Efficiency Policy Manual.

10 In the demand response OIR the utilities were directed to include
11 information on proposals to coordinate energy efficiency and demand response that would also
12 be filed in the energy efficiency 2009-2011 program application.¹³ However, no other guidance
13 was provided in this rulemaking regarding how to perform cost-effectiveness analysis for IDSM
14 programs. In their comments about Energy Division staff's draft demand response cost-
15 effectiveness framework, DRA pointed out that the framework did not provide guidance
16 regarding cost-effectiveness evaluation for IDSM programs.¹⁴

17 The Joint ACR of April 11, 2008 directed utilities to include an outline of
18 a plan to develop and test different cost-effectiveness approaches for proposed pilot project
19 implementation pathways. The Joint ACR directed utilities to consider two approaches at a
20 minimum.¹⁵

¹¹ *Id.*, Attachment A, p. 10

¹² The Division of Ratepayer Advocates Reply Comments On Assigned Commissioner's and Administrative Law Judge's March 14, 2008 Ruling Regarding Cost-Effectiveness Metrics And Energy Efficiency Policy Manual, dated April 1, 2008, p. 10.

¹³ Administrative Law Judge's Ruling Providing Guidance on Content and Format of 2009-2011 Demand Response Activity Applications, February 27, 2008, p. 6-8, 14.

¹⁴ Comments of the Division of Ratepayer Advocates, April 25, 2008, R.07-01-041, p. 11.

¹⁵ Joint Assigned Commissioner's Ruling Providing Guidance on Integrated Demand-Side Management in 2009-2011 Portfolio Applications, April 11, 2008, pp. 9-10.

- 1 ▪ Sequential analysis of the cost-effectiveness of a combined IDSM
- 2 pilot or program package, starting with the most cost-effective
- 3 measure.
- 4 ▪ Use of an integrated cost-effectiveness test that assesses on a
- 5 cumulative basis the combined cost-effectiveness of the entire
- 6 IDSM pilot, program or set of measures.

7 SCE’s recommendations to utilize these approaches for the cost-
8 effectiveness analysis of IDSM programs are provided in Sections G.3 and G.4 below.

9 b) Foundational Issues

10 The Joint Utilities identified cost-effectiveness as one of the “foundational
11 issues” presented at the March 7, 2008 IDSM workshop, and provided general recommendations
12 regarding how IDSM cost-effectiveness could be addressed for the 2009-2011 energy efficiency
13 and demand response applications.¹⁶ These recommendations included development of an IDSM
14 cost-effectiveness framework in conjunction with the IDSM pilot projects.

15 2. Plan for Identification and Testing of Different Cost-Effectiveness
16 Methodologies

17 In providing recommendations for determining cost-effectiveness of IDSM
18 programs SCE has attempted to balance theoretical purity, analytical rigor, and computational
19 complexity. SCE’s objective underlying these recommendations is to deliver accuracy levels
20 adequate for program assessment and policy-making while avoiding methods that greatly
21 increase computational complexity but provide little or unknown increases in accuracy. The
22 proposed methodologies attempt to promote transparency where practical. This transparency
23 combined with the use of feasible/workable methodologies will yield results and supporting
24 analyses more readily understandable to stakeholders and will facilitate greater implementation
25 of IDSM programs.

¹⁶ IDSM Foundational Issues, presented by SCE at the Integrated Demand-Side Management Workshop, March 7, 2008.

1 SCE recommends that evaluation of both of the proposed approaches be included
2 as a fundamental element of the IDSM pilots. This evaluation would support the “learn by
3 doing” objective of the IDSM pilots.

4 a) SCE’s Proposed Cost-Effectiveness Approaches Use the Standard Practice
5 Manual

6 Both of the IDSM cost-effectiveness approaches proposed by SCE would
7 use the framework of the California Standard Practice Manual (SPM). The approaches differ
8 only in that one applies the SPM to each DSM measure sequentially, the other applies it to the
9 integrated (system) impacts of the IDSM programs.

10 b) Separate Avoided Energy and Capacity Costs Are Required

11 In the Joint Utilities’ response to the March 14 Ruling, the Joint Utilities
12 recommended that separate avoided energy and capacity costs be used to calculate energy
13 efficiency cost-effectiveness, rather than the current approach that only implicitly considers
14 avoided capacity value based on the 1998-2000 PX price shape. The current time differentiation
15 should be retained.

16 In addition, avoided energy and capacity costs should be disaggregated.
17 The use of disaggregated avoided energy and capacity costs will more fully capture the value of
18 energy efficiency, especially during on-peak periods.¹⁷ Separating avoided energy and capacity
19 costs is particularly critical for IDSM to reflect the specific characteristics of the various DSM
20 measures within an IDSM program.

21 3. Sequential Analysis of the Cost-Effectiveness of a Combined IDSM Pilot or
22 Program Package, Starting with the Most Cost-Effective Measure

23 SCE has interpreted the direction in the Joint ACR regarding sequential analysis
24 to be one that would align with the stepwise attribution approach for energy savings described in

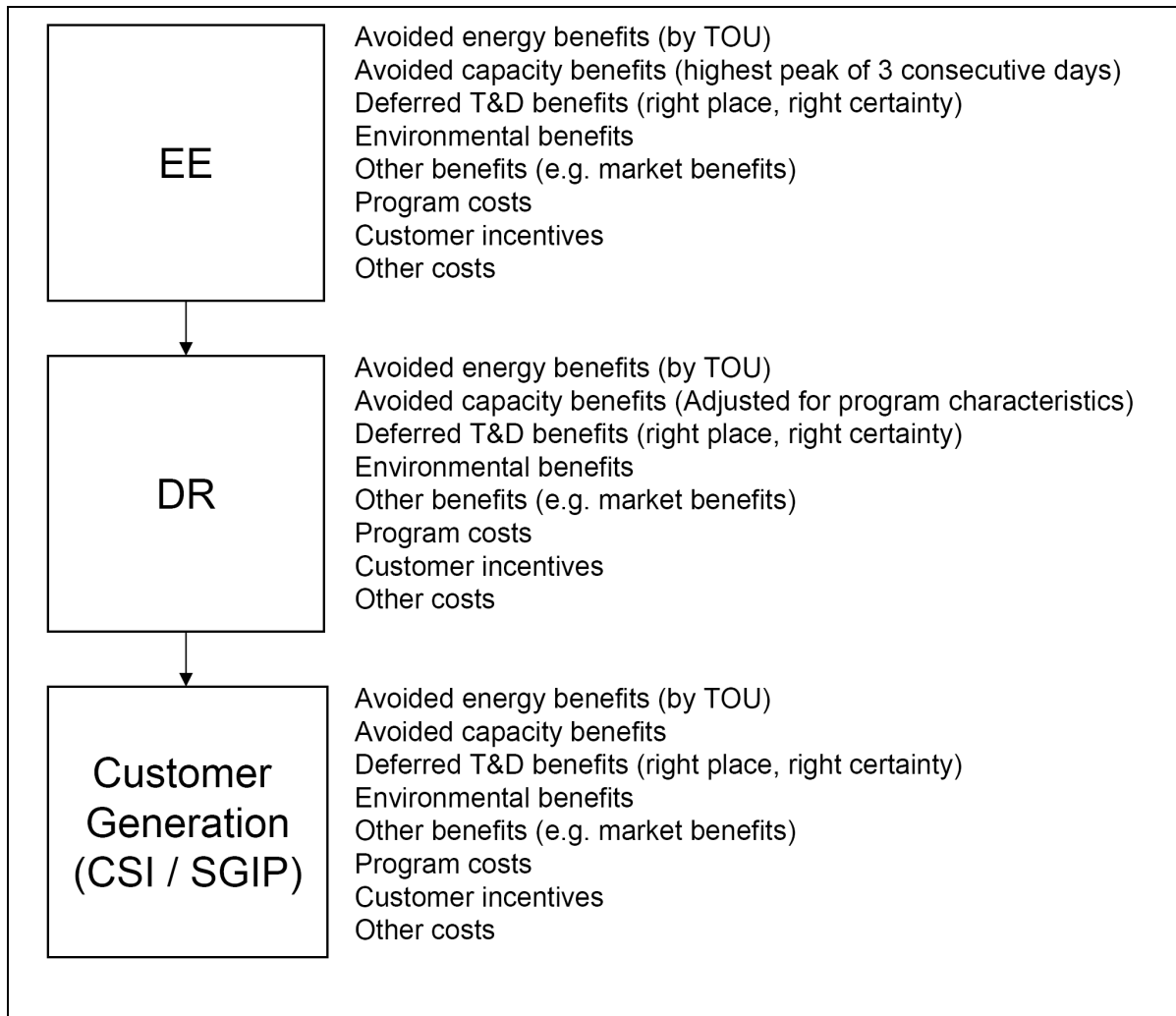
¹⁷ Response of Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company to Assigned Commissioner’s and Administrative Law Judge’s Ruling Regarding Cost-Effectiveness Metrics and Energy Efficiency Policy Manual, April 1, 2008, p. 9

1 Section F of this Exhibit SCE-6. Taken literally, the direction provided in the Joint ACR would
2 require a sequential analysis with the most cost-effective DSM measure being evaluated first.
3 This approach would assume a prior knowledge of the cost-effectiveness of each DSM measure
4 in an IDSM program. In other words, one would have to know the cost-effectiveness of each
5 measure to perform a cost-effectiveness analysis. Conceivably, a cost-effectiveness analysis
6 could be performed for each DSM measure reflecting the full impact of each measure without
7 regard for the interrelated impacts across measures. However, this approach would result in
8 multiple (i.e., double, triple, or more) counting of the savings from the various measures, and
9 therefore would not accurately reflect the integrated aspect of the measures.

10 To avoid this potential multiple counting problem, SCE has interpreted the
11 sequential cost-effectiveness analysis to be based on the Energy Action Plan loading order,
12 consistent with the stepwise attribution approach for energy savings. In SCE's sequential
13 analysis, the cost-effectiveness of each demand response measure in an IDSM program would be
14 evaluated independently based on the energy and demand savings of that measure when
15 implemented according to the loading order. The energy and demand savings and resulting
16 resource benefits for DSM measures would be reduced based on the measures that preceded
17 them.

18 SCE's proposed sequential approach is shown in Figure I-1 below.

Figure I-1
Sequential Cost-Effectiveness Analysis of IDSM Measures



1 This sequential approach correctly reduces the benefits of measures as one moves
 2 down the loading order, and consequently, it is a conservative approach to valuation. However,
 3 this approach also has the greatest analytical complexity because of the multiple analyses that are
 4 required to evaluate each measure separately. The sequential approach also presents a real risk
 5 of sub-optimization, as measures further down the loading order may be found non-cost-effective
 6 when their impacts are measured in a stepwise manner and then valued. This sub-optimization
 7 may seriously undermine the ability of the Joint Utilities to cost-effectively implement IDSM
 8 programs.

1 A sequential approach also presents challenges in assessing the cost-effectiveness
2 of an IDSM program as a whole, rather than for each of its component measures. There is no
3 straightforward way to combine the measure-level cost-effectiveness analyses to determine a
4 program-level cost-effectiveness. Conceivably, a weighted-average Total Resource Cost (TRC)
5 could be calculated for an IDSM program based on its component measures, but the appropriate
6 weighting factor is not immediately obvious.

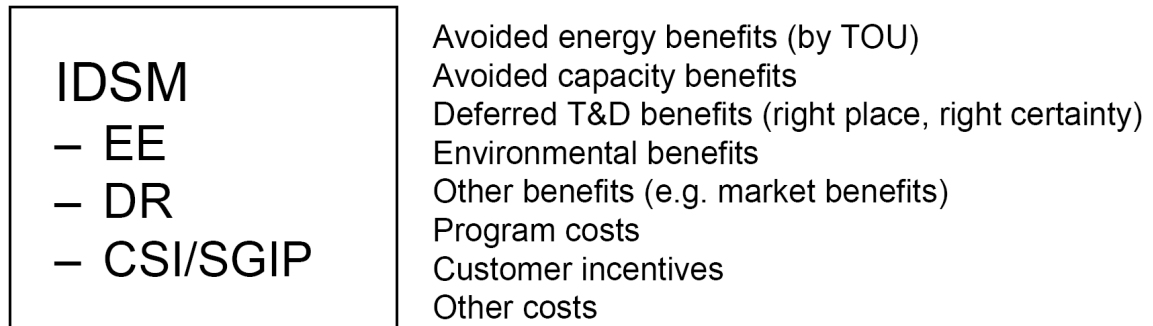
7 **4. Use of an Integrated Cost-Effectiveness Test That Assesses on a Cumulative**
8 **Basis the Combined Cost-Effectiveness of the Entire IDSM Pilot, Program or**
9 **Set of Measures**

10 An integrated cost-effectiveness test of IDSM would look at the combined effects
11 of all DSM measures on a system or holistic basis, rather than in isolation. An integrated cost-
12 effectiveness approach would present significant challenges in the valuation of impacts because
13 of the differences in the resource value that derive from the characteristics of the individual
14 IDSM measures. For example, energy efficiency programs provide peak reduction impacts
15 across many hours during the on-peak period over the course of a year. However, these impacts
16 are not dispatchable. By comparison, demand response programs provide fewer hours of peak
17 reduction, but these impacts are dispatchable at times of greatest need. These differences
18 translate into different avoided capacity benefits per kW saved.

19 Measuring and valuing IDSM impacts on a holistic or system basis provides the
20 best opportunity to reflect the synergies that result from integrating measures, rather than
21 implementing them on a piecemeal basis. Consequently, it may be reasonable to trade-off some
22 conservatism to more fully value the benefits of integrating multiple DSM measures into a single
23 program. Analyzing IDSM cost-effectiveness on an integrated or system basis also avoids the
24 risk of sub-optimization that potentially could occur with a sequential analysis. In addition, an
25 integrated cost-effectiveness approach enables IDSM measures to be optimized based on
26 customer needs, rather than being driven by the Energy Action Plan loading order, i.e., an
27 integrated approach does not presuppose that the measures installed based on customers' needs

1 align exactly with the loading order. SCE's proposed integrated cost-effectiveness methodology
2 is illustrated in Figure I-2 below.

Figure I-2
Integrated Cost-Effectiveness Analysis of IDSM Measures



3 **H. Continued Coordinated DSM Activities**

4 D.05-01-056 directed SCE to implement integrated energy efficiency and demand
5 response programs targeted at all customer segments. During 2007, SCE tracked several
6 integrated pilot program efforts to develop best practices for energy efficiency/demand response
7 integration through the end of 2007.

8 The intent of the energy efficiency and demand response integration programs is to
9 develop effective collaboration with the energy efficiency and demand response organizations to
10 provide continuity of communication with customers, improve customer satisfaction, and
11 enhance the delivery of energy efficiency and demand response programs in an integrated
12 manner. This collaborative program design is intended to provide customers with simultaneous
13 program information from individual energy efficiency and demand response programs, rather
14 than isolating the energy efficiency and the demand response delivery, to avoid the need for
15 multiple SCE representatives to meet with a customer on individual programs. This
16 collaborative approach improves customer adoption of the programs, enhances customer
17 satisfaction, reduces operating costs, and improves operational efficiencies between energy
18 efficiency and demand response. This coordination also leverages opportunities to maximize

1 energy savings for customers and count those savings towards achievement of energy efficiency
2 goals, while also integrating opportunities for demand response program participation. The
3 following are ongoing integrated activities that will be extended in ~~2009-2011~~ through 2012:

4 **1. Energy Efficiency And Demand Response Outreach Integration**

5 SCE's Demand Response Event Consortium and energy efficiency Partnership
6 programs will jointly distribute energy efficiency and demand response information to customers
7 at events and include both energy efficiency and demand response collateral in direct mail
8 promotional materials to partnerships, with a goal of seamless delivery of information materials,
9 reduced customer confusion, and reduced efforts and costs.

10 **2. Energy Efficiency And Demand Response Survey Integration**

11 Demand response will continue to leverage the Home Energy Efficiency Survey
12 (HEES), by providing a comprehensive energy report including all energy efficiency and
13 demand response measures and recommendations based upon responses to survey questions. By
14 leveraging an existing energy efficiency survey tool, residential customers already expressing an
15 interest in saving energy and money will receive additional information on Summer Discount
16 Program. As standard practice in HEES, customers returning surveys who are not now
17 participating in the Summer Discount Program (AC cycling) are referred to SDP for contact.

18 **3. Energy Efficiency And Demand Response Integrated Audits**

19 The TA&TI Program (demand response) and the Nonresidential Audit sub-
20 program of the Statewide Commercial Energy Efficiency Program will continue to conduct
21 energy efficiency and demand response integrated field audits for medium to large non-
22 residential customers to encourage their participation in voluntary demand response programs
23 and energy efficiency programs. SCE has also developed a central source for information related
24 to identifying segment-specific recommendations for energy efficiency and demand response
25 measures, and intends to further develop the design and delivery of energy efficiency and
26 demand response integrated field audits, as well as training, marketing and other roll-out
27 strategies.

1 **4. Energy Efficiency And Demand Response Integrated Messaging**

2 SCE will continue to identify and implement effective marketing strategies to
3 integrate messages between energy efficiency and demand response programs, to avoid
4 redundancy and enhance the customer offer. In the 2006-2008 cycle, energy efficiency and
5 demand response worked together by integrating messaging between SDP and the AC Tune-Up
6 Program; joint messaging will be extended to the Home Energy Efficiency Survey, Home
7 Energy Efficiency Rebates, and the Appliance Recycling sub-programs of the Statewide
8 Residential Energy Efficiency programs, as part of the overall integrated DSM marketing
9 approach.

10 **5. Other Energy Efficiency And Demand Response Integration Pilots**

11 SCE will continue to seek other integration opportunities as feasible. For
12 example, in the 2006-2008 cycle, the Summer Discount Plan (demand response) and the
13 Appliance Recycling Program (Energy Efficiency) and the Palm Desert Demonstration
14 Partnership integrated demand response into their marketing efforts, asking customers if they
15 were interested in SDP and generated leads to the SDP recruitment office. As a result, of the
16 26,025 refrigerators picked up from customers in the Appliance Recycling Program, 8,027
17 customers (31 percent) asked to be contacted for SDP program enrollment. SDP personnel also
18 included energy efficiency messaging during their customer contacts, and encouraged customers
19 to participate in numerous SCE energy efficiency programs to maximize their energy savings
20 and reduce their costs during the summer months.

21 **I. Objective for ~~2009-2011~~ 2010-2012**

22 The results of the integration pilot program efforts from 2007 provided confirmation of
23 the benefits for program integration through improved operations and optimization of
24 coordinated marketing. The pilot efforts also developed informative learning precedents to both
25 the energy efficiency and demand response organizations on the resource and budget constraints
26 and the incremental impacts of integrating energy efficiency and demand response programs.
27 Staff personnel found that it was technically feasible to coordinate marketing and enrollment

1 activities for programs, and the assumed benefits for customers for capturing lost opportunities
2 became obvious as the integration activities progressed. However, the foundational barriers of
3 funding sources, cost allocation, cost recovery, and attribution of energy and demand savings
4 still pose a challenge to true IDSM deployment.

5 SCE proposes to focus on integrating energy efficiency and demand response program
6 messaging, delivery, and technologies in a cohesive manner to capture downstream benefits that
7 are the result of enhanced customer adoption of combined DSM measures. Improvements
8 planned in ~~2009-2011~~ 2010-2012 for energy efficiency/demand response integration are to
9 increase statewide collaboration between energy efficiency and demand response programs,
10 leverage existing program delivery channels from the enhanced energy efficiency programs ~~for~~
11 ~~2009~~, and combine program offerings in both the retrofit and new construction areas. Likewise,
12 the proposed Statewide IDSM Task Force provides a clearinghouse comprising both the IOUs
13 and the Energy Division that will help guide and enhance efforts.

14 The goals and objective for ~~2009-2011~~ 2010-2012 are as follows:

- 15 ▪ Enhance statewide coordination and management oversight of IDSM
- 16 ▪ Provide customers one-stop shopping for products and services
- 17 ▪ Develop efficient energy efficiency and demand response program collaboration
18 that is simple to understand and can be implemented among employees and
19 customers
- 20 ▪ Provide continuity of customer communication
- 21 ▪ Improve customer satisfaction through greater dual participation
- 22 ▪ Generate more kW and kWh savings for customers
- 23 ▪ Increase efficiencies of program delivery with better approaches and program
24 offerings to attract customers
- 25 ▪ Ensure cost-effectiveness in alignment with developing Commission criteria

1 **J. Energy Efficiency and Low Income Energy Efficiency Coordination Efforts**

2 In addition to coordination between energy efficiency, demand response, and Self
3 Generation offerings, Energy Efficiency and Low Income Energy Efficiency (LIEE) will
4 coordinate efforts to reach a broader residential market containing low income segments and will
5 use energy efficiency and DSM specific messages to create a bridge between the two. The
6 following programs include energy efficiency/LIEE coordination:

- 7 • Home Energy Efficiency Rebate Program: will provide customers with information
8 and marketing materials on SCE’s LIEE programs
- 9 • Multifamily Energy Efficiency Rebate Program: offers property owners LIEE
10 program materials and information and increased incentives for installing energy
11 efficient measures in qualified low income tenant units; also provides energy efficient
12 services and appliances to these qualified tenants.
- 13 • Comprehensive Mobile Home Program: provides customers with information and
14 marketing materials on SCE’s LIEE programs.
- 15 • Home Energy Efficiency Survey Program: provides information and marketing
16 materials on SCE’s LIEE programs. As customer surveys are returned, SCE will
17 review customer account information and look for low income opportunities.
- 18 • Efficient Affordable Housing Program: offers property owners increased incentives
19 for installing energy efficient measures in qualified low-income tenant units; also
20 provides energy efficient services and appliances to these qualified tenants.
- 21 • WE&T Connections : provides information and marketing materials on SCE’s LIEE
22 Programs to students.
- 23 • Mobile Education Unit: will exhibit and demonstrate measures/products installed
24 under the LIEE program, and include visits to economically disadvantaged
25 communities.
- 26 • Community Language Efficiency Outreach Program: provides customers with in-
27 language information and marketing materials on SCE’s LIEE programs.

1
2
3
4

- Energy Leader Partnership Program: provides customers with information and marketing materials on SCE's LIEE programs at partnership events. Local community-based organizations will be encouraged to work with partnerships to coordinate outreach events to enroll eligible customers in low income programs.