Application: A.17-09-005
Exhibit No.: SDG&E-xx

Witness: Paul Pruschki

# PREPARED REVISED REBUTTAL TESTIMONY OF PAUL PRUSCHKI

#### **CHAPTER 12**

#### ON BEHALF OF SAN DIEGO GAS & ELECTRIC COMPANY

# BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

June 26, 2018



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# PREPARED REVISED REBUTTAL TESTIMONY OF PAUL PRUSCHKI CHAPTER 12

#### I. OVERVIEW AND PURPOSE

The purpose of my revised rebuttal testimony is to correct errors recently discovered by San Diego Gas & Electric Company (SDG&E) related to the classification and cost of specialized energy efficiency (EE) measures for which SDG&E requests funding in Application 17-09-005 (Application). Correction of these errors requires further revisions to the revised tables included in my rebuttal testimony, which are also referenced in the Office of Ratepayer Advocates' (ORA) Data Request 01, Q2 and Q4 and Data Request 011, Q2.

SDG&E has discovered two errors. The first concerns the classification of a measure as "specialized" or "standard." Table PP-1 of my original testimony, copied here, defines "specialized" and "standard" measures.

**Table PP-1: District EMP Measure Categories** 

Table PP-1: District EMP Measure Categories							
District	Description	Examples					
Measure Category							
Standard	Measures that qualify for existing SDG&E EE Programs and are counted in SDG&E's EE Savings Goals set by the CPUC	<ul><li>- LED Interior and Exterior Lights</li><li>- Variable Frequency Drives</li><li>- Smart Controls</li></ul>					
Specialized	Measures that do not qualify for existing SDG&E EE Programs	- Measures leased or owned by non-District tenants but used at the District, e.g., equipment operated by subcontractors at the District-Portable equipment not permanently installed, e.g., welding equipment, air compressors, lighting and ventilation used aboard ships docked for repair - Advanced measures not yet approved by Programs, e.g., emerging technologies described later in this section					

- Accounts that do not qualify based on their rate, e.g., accounts with an EG rate (the natural gas transportation rate for Electric Generation customers)

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Two of the EE measures classified as specialized in my original and rebuttal testimony should have been classified as standard since they qualify for existing SDG&E EE Programs.

One of the measures reclassified as standard in my rebuttal testimony was mistakenly considered a retrocommissioning measure. The measure was to install variable frequency drives on standalone ventilation fans and provide controls. The measure should have remained specialized due to the ventilation fan's temporary and portable nature. These revisions require changes to the total overall EE funding request as detailed in Section II below.

The second error concerns the costs used to determine the cost-effectiveness of the specialized measures. In response to ORA Data Request 011, SDG&E conducted Total Resource Cost ("TRC") and Program Administrator Cost ("PAC") analyses on the specialized EE measures proposed by SDG&E in the Application.<sup>2</sup> These results were also included in my rebuttal testimony.<sup>3</sup> In preparing to respond to ORA Data Request 016,<sup>4</sup> SDG&E discovered that the cost data used to prepare the TRC and PAC analyses was incorrect. SDG&E's initial analyses included the estimated overall savings and costs for each measure as well as SDG&E's

See, Appendix A ("CET\_Results\_Specialized\_REVISED"), attached hereto.

<sup>&</sup>lt;sup>2</sup> ORA DR 011, Q2 (April 13, 2018);

<sup>&</sup>lt;sup>3</sup> Prepared rebuttal testimony of Paul Pruschki, pp. 9

<sup>&</sup>lt;sup>4</sup> ORA DR 016, Q1 (June 20, 2018).

assessment of the probability of implementing each measure.<sup>5</sup> The overall savings benefits in those analyses was then reduced by the implementation probability, but the overall costs were not reduced by the same implementation probability. This mistake inaccurately lowered the cost-effectiveness of the measures. This revised rebuttal testimony corrects the cost-effectiveness ratios to account for implementation probability in the costs of each measure as well as the savings benefits.

#### II. REBUTTAL TESTIMONY TABLE CORRECTIONS

#### Revised Table PP-2, District EMP Savings by Measure Category:

District Measure Category	Targeted Electric Energy Savings (kWh)	Targeted Gas Energy Savings (Therms)	Targeted Distribution	
Standard	7,400,000	44,400	74%	
Specialized	2,600,000	15,600	26%	
Totals (2019-2021)	10,000,000	60,000	100%	

**Revised Table PP-2\_v2, District EMP Savings by Measure Category:** with correction for reclassification of certain standard measures and specialized measures.

District Measure Category	Energy Savings (kWh)	Energy Savings (Therms)	Targeted Distribution	
Standard	7,470,000	44,820	<u>74.7%</u>	
Specialized	<u>2,530,000</u>	<u>15,180</u>	<u>25.3%</u>	
Totals (2019-2021)	10,000,000	60,000	100%	

<sup>&</sup>lt;sup>5</sup> ORA DR 01, Q2.i. (November 21, 2017);

The impacts to the cost of SDG&E's EE proposal are as follows:

### **Revised Table PP-4, EE Direct Cost Summary:**

(2017\$ Cost in 1,000s; Excludes Loaders, Escalation, Taxes)					
Project	2019	2020	2021	Total	
EE - Incremental	\$708	\$708	\$708	\$2,125	

**Revised Table PP-4\_v2, EE Direct Cost Summary:** with correction for reclassification of certain standard measures and specialized measures.

(2017\$ Cost in 1,000s; Excludes Loaders, Escalation, Taxes)					
Project	2019	2020	2021	Total	
EE - Incremental	<u>\$697</u>	<u>\$697</u>	<u>\$697</u>	<u>\$2,092</u>	

### Revised Table PP-5, EE Proposal Activities and Requested Funding:

<b>2017\$ Funding Category 2019-2021</b>	Amount
Targeted Specialized Measure Procurement Costs	\$1,224,643
Future Specialized Audits	\$300,000
Emerging Technology Projects	\$600,000
<b>Total Incremental Funds Requested</b>	\$2,124,643

Revised Table PP-5\_v2, EE Proposal Activities and Requested Funding: with correction for reclassification of certain standard measures and specialized measures.

2017\$ Funding Category 2019-2021	Amount
Targeted Specialized Measure Procurement Costs	\$1,191,672
Future Specialized Audits	\$300,000
Emerging Technology Projects	\$600,000
Total Incremental Funds Requested	\$2,091,672

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### Revised Table PP-6, Incremental Energy Efficiency Loaded Cost Summary:

(Cost in 1,000s; Includes Loaders, Escalation)					
Project	2019	2020	2021	Total	
EE - Incremental	\$763	\$782	\$801	\$2,347	

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Revised Table PP-6\_v2, Incremental Energy Efficiency Loaded Cost Summary: with correction for reclassification of certain standard measures and specialized measures.

(Cost in 1,000s; Includes Loaders, Escalation)						
(Cost in 1,000s; Includes Lo Project	2019	2020	2021	Total		
EE - Incremental	<u>\$751</u>	<u>\$770</u>	<u>\$789</u>	<u>\$2,310</u>		

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In addition, I am providing the following revisions to my direct testimony, to account for the correction of the classification of standard measures and specialized measures:

#### Page PP-13, line 12: delete "2.4," replace with "2.53."

"... energy savings impact within the District's boundaries. Overall, this proposal targets 2.4 2.53 million kWh of specialized energy savings measures based upon the findings in recently completed audits."

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In response to ORA Data Request 016,6 SDG&E revisited the Total Resource Cost ("TRC") and Program Administrator Cost ("PAC") analyses on these measures called for in ORA Data Request 011.7 Because of the corrected measure classifications and costs, SDG&E's revised forecasted range for each of the proposed individual measure TRC ratios has changed from 0.16 to 1.61 to **0.36 to 2.39**, and PAC ratios have changed from 0.97 to 2.66 to **1.63 to 3.01**. The overall program TRC ratio has changed from 0.55 to **0.99** and the overall PAC ratio has changed from 1.95 to **2.32**. A revised cost-effectiveness analyses has been completed and is included as Appendix A.

This concludes my revisions to my rebuttal testimony.

ORA DR 016, Q1 (June 20, 2018).

<sup>&</sup>lt;sup>7</sup> ORA DR 011, Q2 (April 13, 2018).