

**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
(Filed November 14, 2013)**

**REPLY COMMENTS OF THE
NATIONAL ASSOCIATION OF ENERGY SERVICE COMPANIES
ON THE
PROPOSED DECISION OF ADMINISTRATIVE
LAW JUDGE FITCH OF JULY 19, 2016**

August 15, 2016

Donald Gilligan
President

NAESCO
1615 M Street NW
Washington, DC 20036
Phone: 978-498-4456
E-mail: dgilligan@naesco.org

**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
(Filed November 14, 2013)**

**REPLY COMMENTS OF THE
NATIONAL ASSOCIATION OF ENERGY SERVICE COMPANIES
ON THE
PROPOSED DECISION OF ADMINISTRATIVE LAW JUDGE FITCH OF
JULY 19, 2016**

NAESCO is pleased to offer reply comments on the Proposed Decision of Administrative Law Judge Fitch of July 19, 2016.

1. NAESCO agrees with the California Energy Efficiency Industry Council (CEEIC) on the Proposed Decision's (PD) Treatment of Industrial and Agricultural Baselines

NAESCO agrees with CEEIC's continued concern with, "... the exclusion of the industrial and agricultural sectors from broad application of existing conditions baseline and normalized metered energy consumption (NMEC)". (CEEIC Opening Comments, page 8) As many parties have noted, including the PD itself, the industrial and agricultural sectors provide substantial potential for energy savings. NAESCO joins CEEIC in supporting the PD's consideration of a separate inquiry or rulemaking into approaches for energy efficiency for the industrial sector. In the meantime, the PD should be changed to establish CalTF as the working group "to investigate the challenges of (and solutions to) custom review, industry standard practice, preponderance of evidence and other program issues outlined in Section 3.13" (CEEIC Opening Comments, page 9) of the PD, with specific deadlines, in the not too distant future, for recommendations and resolution. Parties have commented on industrial and agricultural

issues for years with little progress. Issues in this area should be resolved expeditiously so that the state can capture valuable energy savings.

NAESCO also supports the CEEIC's call for an expanded definition of Strategic Energy Management (SEM) to include capital projects, too. Excluding capital projects from the SEM definition unfairly penalizes the industrial sector and also leads to lost savings opportunities.

2. NAESCO Agrees with Southern California Gas and other parties that Table 1 is Inaccurate

NAESCO also agrees with Southern California Gas Company (Southern California Gas Company Opening Comments, page 12) and other parties that Table 1 is inaccurate as it apparently indicates that industrial shell and building system equipment do not fall under the category of "existing buildings". These buildings themselves are separate from the industrial processes they house and therefore should be treated like any other existing building. Table 1 should be modified to make that treatment clear

Respectfully submitted by,

A handwritten signature in black ink, appearing to read "Donald Gilligan", with a long horizontal flourish extending to the right.

Donald Gilligan
President
NAESCO
1615 M Street NW
Washington, DC 20036
Phone: 978-498-4456
E-mail: dgilligan@naesco.org