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In the Matter of:	)	Docket No. 11-IEP-1A
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Preparation of the	)	COMMENT ON DRAFT 2011
2011 Integrated Energy Policy Report	)	INTEGRATED ENERGY POLICY REPORT
	)	

Comments of the California Public Utilities Commission's Energy Division on the *Draft 2011 IEPR*

The California Public Utilities Commission's (CPUC) Energy Division respectfully submits these comments to the California State Energy Resource Conservation and Development Commission (CEC or Energy Commission) in regards to the *Draft 2011 Integrated Energy Policy Report* (IEPR). The CPUC is pleased to collaborate with our sister agency, the Energy Commission, in the 2011 Integrated Energy Policy Report (IEPR) proceeding (proceeding).

The CPUC has been an active participant in the current and past IEPRs, collaborating on issues ranging from demand forecasting and energy efficiency quantification to a joint proposal on implementation of once-through-cooling replacement infrastructure in support of the State Water Resources Control Board's draft once-through-cooling policy. Likewise, Energy Commission Staff has collaborated with CPUC Staff in developing assumptions for proceedings at the CPUC, including development of the 2010 Long Term Procurement Plan.

Forecast Timing

CPUC Staff would like to thank the Energy Commission for its efforts to align timing of the adopted load forecast more closely with the CPUC's Long Term Procurement Plan proceeding. Staff believes that the shift in timing will help assuage concerns by parties about the staleness of load forecast data used in the investor-owned utilities' (IOUs') procurement plans and for infrastructure planning. This type of 'syncing up' of the timing and alignment of the agencies' related proceedings and data requirements should be performed periodically by both agencies to make sure that our respective information needs are met.

Climate Change

CPUC Staff encourages the Energy Commission to engage stakeholders on the impacts of climate change, and in particular the interaction between the increase in peak energy demand and the 1-in-2 and 1-in-10 demand forecasts. CPUC Staff reiterates our concern that, when assessing a 1-in-10 demand

forecast, there is not double-counting between the impacts of climate change and the already increased forecast associated with extreme weather. However, staff is also encouraged that the Energy Commission is considering the implications of different climate change scenarios on energy demand in California. It would be valuable to see how the 2009 IEPR demand forecast values would have been under similar climate change assumptions.

Demand-Side Programs

The Energy Commission's efforts to improve transparency in the IEPR process are evident in the Demand Analysis Working Group's work to quantify energy efficiency impacts on the load forecast. CPUC Staff is also encouraged that efforts are underway to develop better estimates and forecasts of non-IOU energy efficiency programs including timing for receiving this information. As indicated in previous comments to the IEPR, we encourage the Energy Commission to examine the impacts of other IOU- and non-IOU demand-side programs, such as demand response, in the IEPR process.

CPUC Staff is encouraged to see the incremental changes associated with calculating the impacts of incremental uncommitted energy efficiency, as well as the orderly progression of programs from uncommitted to committed impacts. Staff also appreciates the alignment of the mid-case scenario to align with the adjustments made in the 2010 Long Term Procurement Plan proceeding's standardized planning assumptions.

Staff believes that the Energy Commission's shift to providing total, rather than attributed, energy efficiency savings is beneficial. Staff also believes that a comparison of how the proposed changes in calculating incremental uncommitted energy efficiency impacts would have impacted the 2009 IEPR demand forecast (including which savings moved from uncommitted to committed savings) would be beneficial to all parties.

The CPUC remains committed to continuing to work with Energy Commission staff through the Demand Analysis Working Group to improve the manner in which existing and future IOU energy efficiency program impacts are addressed in the IEPR load forecasts.

Interagency Policy Mechanism

CPUC Staff are interested in further dialogue with both the Energy Commission and the California ISO in the proposed interagency mechanism. While many issues would need to be considered before such a

mechanism becomes plausible, discussion can enhance inter-agency coordination on data driven questions and policy discussion.

Conclusion

The CPUC Staff thanks the Energy Commission for the opportunity to provide comments on the IEPR and looks forward to continued collaboration with the Energy Commission and its Staff to help address the myriad challenges and opportunities facing California's energy sector today. CPUC Staff appreciates the hard work undertaken by the Energy Commission and its staff in compiling the IEPR report and the underlying analysis.

Dated December 23, 2011

Respectfully submitted,

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