

Application No.: 11-05-023

Exhibit No.: _____

Witness: Athena Besa

Application of San Diego Gas & Electric Company
(U 902 E) for Authority to Enter into Purchase Power Tolling
Agreements with Escondido Energy Center, Pio Pico Energy
Center and Quail Brush Power.

A.11-05-023

(Filed May 19, 2011)

PREPARED SUPPLEMENTAL REBUTTAL TESTIMONY OF
ATHENA BESA
ON BEHALF OF
SAN DIEGO GAS & ELECTRIC COMPANY

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

June 6, 2012

1 **PREPARED SUPPLEMENTAL REBUTTAL TESTIMONY OF**
2 **ATHENA BESA**
3 **ON BEHALF OF**
4 **SAN DIEGO GAS & ELECTRIC COMPANY**
5

6 **Q1: What is the purpose of your testimony?**

7 **A1:** This testimony is to respond to the testimonies of Division of Ratepayer Advocates
8 (“DRA”), Natural Resources Defense Council (“NRDC”) and California Environmental Justice
9 Alliance (“CEJA”) regarding the Energy Efficiency (“EE”) uncommitted savings assumptions
10 and Demand Response (“DR”) goals.

11
12 **Q2: Do you agree with DRA’s assessment that SDG&E analysis is inconsistent in its use**
13 **of the low case uncommitted energy efficiency values?**¹

14 **A2:** No. First, what needs to be understood is that the low, mid and high uncommitted EE
15 forecasts developed as part of the August 2011 Preliminary California Energy Commission
16 (“CEC”) forecast² were not developed as an integrated part of the load forecasts. Rather, the
17 three uncommitted EE forecasts represent various levels of uncommitted EE that may be
18 achieved in the future based on specific assumptions related to the actual realization of these
19 forecasted uncommitted savings. There is no basis to say that the mid amount of uncommitted
20 EE could only occur with the mid demand forecast or that the high amount of uncommitted EE
21 could not occur with the low demand forecast. Thus, using the low uncommitted EE is not
22 inconsistent with any of the load forecasts.

¹ Supplemental Testimony of Farzad Ghazzagh on Behalf of DRA (“Ghazzagh Testimony”) at 5.

² CEC-200-2011-011-SD, “*Preliminary California Energy Demand Forecast 2012-2022*”, August 2011.

1 SDG&E used the low uncommitted EE forecast for two reasons. First, for the specific
2 purpose of planning to meet reliability needs in a load pocket, SDG&E believes conservative
3 values should be used. If aggressive assumptions are used and the forecasted uncommitted EE
4 savings fail to appear, then reliability could be compromised, as indicated in witness Anderson’s
5 testimony. Second, SDG&E believes the low case is the closest case to meeting the
6 requirements of California Public Utilities Code Section 454.5 that specifies that EE must be
7 “*cost-effective, reliable and feasible.*”

8 There are no savings from the Big Bold Energy Efficiency Strategies (“BBEES”)
9 included in the uncommitted EE low case. This is most appropriate for resource planning
10 purposes since BBEES represents only a planning strategy. BBEES is undefined and highly
11 uncertain. It has no delivery mechanisms, no defined utility programs, no specific codes and
12 standards. BBEES may be appropriate for EE program planning purposes, but without defined
13 content, it cannot be evaluated as to whether or not BBEES meets the resource planning test of
14 being cost effective, reliable and feasible. In fact, the March 19, 2012 “*2011 California*
15 *Statewide IOU Potential Study*” (“2011 Potential Study”) ³ adopted by the Commission in D.12-
16 05-015 acknowledges the uncertainty of BBEES. The 2011 Potential Study (at page 23) states:

17 The plan [refers to the California Energy Efficiency Strategic Plan]
18 identifies a number of strategies that move beyond utilities’
19 traditional programs, lays the ground work for implementation, and
20 includes numeric goals associated with the list of strategies. As
21 some of these strategies are untested and rely on a number of
22 public and private partners to implement, the Energy Division does
23 not necessarily foresee including these goals directly in the TMG
24 goals or the EE targets that the RRIM will be based on.
25

³“Analysis to Update Energy Efficiency Potential, Goals, and Targets for 2013 and Beyond”, Navigant Consulting, Inc. and Heschong Mahone Group, March 19, 2012, at page 23.

1 **Q3: Please explain why SDG&E updated the uncommitted energy efficiency forecast?**

2 **A3:** SDG&E witness Anderson’s April 2012 Supplemental Testimony⁴ indicates that the
3 purpose of updating the forecast is because of the passage of time since SDG&E’s original May
4 2011 forecast and the availability of the more recent load forecast in the August 11, 2011
5 Preliminary CEC forecast which includes an update of the committed EE forecast.

6 Furthermore, Mr. Anderson’s Supplemental Testimony⁵ notes that the uncommitted EE
7 assumptions need to be updated because the CEC’s latest committed EE assumptions from the
8 August 2011 forecast⁶ include components previously included in the uncommitted EE in the
9 2009 Integrated Energy Policy Report (“IEPR”).⁷ It is critical that the entity that creates the load
10 forecast address what EE components are included or not in its load forecast. Therefore,
11 SDG&E updated its load forecast to adjust its accounting of EE impacts by decreasing the
12 previously uncommitted EE. Therefore, any such newly committed EE would no longer be
13 “uncommitted” and should not be subtracted from the forecast again as part of an outdated
14 estimate of uncommitted impacts. By taking a recent load forecast that has been adjusted and
15 subtracting from it an uncommitted EE forecast from a previous demand forecast will likely
16 result in “double-counting” the EE benefits attributable to a set of EE programs.

17 The Preliminary CEC load forecast report clearly states that the new load forecast
18 incorporates “recent revisions to the Energy Commissions Building and appliance standards,
19 including the effects from Assembly Bill 1109,” whereas previously these savings were part of

⁴ Prepared Supplemental Testimony of Robert Anderson on Behalf of SDG&E (“Anderson Testimony”) at RA-3.

⁵ *Id.* at RA-10.

⁶ CEC-200-2011-011-SD at 183.

⁷ CEC-200-2010-001-ATA, “*Incremental Impacts of Energy Efficiency Policy Initiatives Relative to the 2009 Integrated Energy Policy Report Adopted Demand Forecast Attachment A: Technical Report*”, January 2010.

1 the uncommitted EE in the 2009 CEC forecast.^{8,9} In addition, the CEC included a 50%
2 reduction in decay rates starting with 2006 programs to reflect this Commission’s directive that
3 50 percent of measured decay be replaced through additional programmatic efforts.¹⁰ Both the
4 new building and appliance standards and the decay replacement were previously components of
5 uncommitted EE and have now been incorporated into the committed EE in the updated CEC
6 load forecast. Therefore, the uncommitted EE in the previous CEC forecast has been reduced by
7 shifting these two components to the committed EE that is now embedded in the Preliminary
8 CEC load forecast.¹¹

9 However, DRA witness Fagan’s Table RF-3 uses SDG&E’s updated load forecast but
10 then subtracts from that load forecast the 2010 Long-Term Procurement Plan (“LTPP”)
11 proceeding uncommitted EE values.¹² Thus, witness Fagan appears to be “double-counting” the
12 same EE programs by first using a load forecast that already accounts for previously
13 uncommitted EE now incorporated into the committed EE, and then subtracting the outdated
14 uncommitted EE.

15
16 **Q4: NRDC takes issue with SDG&E’s amounts of uncommitted EE and claims that**
17 **SDG&E undervalued the amount of uncommitted EE that will contribute to San Diego’s**

18 **LCR. Do you agree with NRDC?**

19 **A4:** No. First, witness Martinez’s main position is that the need should be based on the
20 outdated 2010 LTPP assumptions, including the load forecast and the uncommitted EE forecast.

⁸ CEC-200-2011-011-SD at 10.

⁹ Supplemental Testimony of Peter Fagan on Behalf of DRA (“Fagan Testimony”) at 27.

¹⁰ CEC-200-2011-011-SD at 64.

¹¹ The Preliminary CEC load forecast will be discussed at the upcoming June 26, 2012 workshop sponsored by the Energy Division in Rulemaking (“R.”)09-11-014.

¹² Fagan Testimony at 12.

1 SDG&E believes that using the CEC’s updated committed EE information is reasonable and
2 consistent with the Commission’s position on using “best available data” as illustrated in D.11-
3 07-030.¹³ As such, SDG&E’s load forecast was updated to account for the revised, committed
4 EE. SDG&E, therefore, must adjust its uncommitted EE to reflect the “best available data.”

5 With respect to witness Martinez’s assertion that SDG&E’s use of 151 MW is
6 unreasonably low,¹⁴ I have responded to that point in my response A.2, above.

7
8 **Q5: Regarding Demand Response (DR), DRA recommends that 302 MW should be**
9 **utilized in the planning assumptions based on “high need” assumptions, and even a higher**
10 **value for the low need scenario. Do you agree with this approach?**

11 **A5:** No. DRA’s witness Ghazzagh is advocating the use of a DR forecast that is more than
12 three years old.¹⁵ Mr. Ghazzagh notes that SDG&E is also expected to file its updated DR
13 forecast on June 1, 2012. SDG&E has indeed filed its June 1, 2012 report, and its updated 2020
14 forecast, based on *ex post* evaluation, indicating a *lower* DR forecast.¹⁶ In this proceeding,
15 SDG&E bases its DR values on the DR goals most recently approved by the Commission in
16 D.12-04-045, in May 2012, a proceeding which fully evaluated SDG&E’s DR programs.

17 //

¹³ D.11-07-030 at 8-9.

¹⁴ Opening Testimony of Sierra Martinez on Behalf of the NRDC (“Martinez Testimony”) at 9.

¹⁵ Ghazzagh Testimony at 15.

¹⁶ “*San Diego Gas & Electric Company’s (U 902 M) Executive Summary and Summary Tables Pursuant to Decision 10-04-006*”, June 1, 2012, page 65. The full Report is available on <http://sdge.com/node/742>.

1 **Q6: CEJA states that SDG&E’s assumptions do not properly account for EE and DR.**

2 **Do you agree?**

3 **A6:** No. As explained above in responses to DRA and NRDC, SDG&E has applied EE and
4 DR forecasts based on the most updated information, and its forecast must serve the objective of
5 resource planning to meet the reliability needs in the San Diego load pocket. Therefore, SDG&E
6 uses values that it finds to be reasonably certain to manifest and be available in the years for
7 which they are planned.

8 Furthermore, CEJA witness Mr. Powers suggests that specific EE technologies (e.g.,
9 thermal storage air conditioning, SEER 21 air conditioners) and FERC-required DRP would
10 deliver significant EE savings and DR reductions.¹⁷ Mr. Powers’ recommendations are best
11 suited for the dedicated EE and DR proceedings, as these are the appropriate venues to discuss
12 and debate the costs and benefits of the particular technologies and programs that he has
13 mentioned. This level of detail is not in the scope of this proceeding.

14

15 **Q7: Does this conclude your testimony?**

16 **A7:** Yes.

17 //

¹⁷ “Prepared Direct Testimony of Bill Powers on Behalf of the CEJA (“Powers Testimony”) at 10-11.

1 **QUALIFICATIONS**

2 My name is Athena M. Besa. My business address is 8335 Century Park Court, Suite
3 1200, San Diego, California 92123-1257. I am employed by San Diego Gas & Electric
4 Company as the Energy Efficiency Administration and Policy Manager in the Mass Markets
5 Department for SDG&E and SoCalGas. In my current position, I am responsible for the
6 measurement of energy efficiency and customer assistance programs and the measurement and
7 analysis of demand-side management ("DSM") programs, regulatory reporting requirements,
8 energy efficiency forecasting and the financial management of my department.

9 I attended the University of the Philippines in Quezon City, Philippines. I graduated with
10 a Bachelor of Science degree in Statistics in 1983, and a Master of Science degree in Statistics in
11 1986. I have completed coursework at University of California, Davis towards a Doctorate
12 degree in Statistics.

13 I was hired by SDG&E in 1990 in the Load Research Section of the Marketing
14 Department. Since that time I have held positions of increasing responsibility in the Department.
15 I have been in my present position for two years. I have previously testified before this
16 Commission in numerous AEAPs and the PY2000/2001 Energy Efficiency Program Application
17 Proceeding.