**WORKPAPER DISPOSITION FOR COMMERCIAL POOL COVERS**

**California Public Utilities Commission, Energy Division**

March 1, 2013

Refer to Table 1 for a list of currently submitted IOU workpapers that cover commercial pool covers.

Table 1 – Commercial Pool Covers Workpapers

|  |  |  |
| --- | --- | --- |
| **Workpaper ID** | **Workpaper Title** | **Date** |
| **SDG&E** |  |  |
| WPSDGENRWH1204 | Outdoor/Indoor Pool Covers | 06/15/2012 |
| **SCG** |  |  |
| WPRSGNRWH0002 | Outdoor/Indoor Pool Covers | Nov 2010 |
| **PG&E** |  |  |
| PGE3PPRO109 | Outdoor Commercial Pool Covers | 08/24/2012 |

**Workpaper Disposition:**

**Disposition Summary**

1. The use of a “regressive baseline” is not allowed: An installation rate of 0.28 shall be applied to PG&E savings values and 0.38 to SDG&E and SCG savings values. All workpapers allow this measure when an existing pool cover has reached the end of its useful life. Based on preliminary economic analysis, staff does not agree with the assumption that, once pool covers become non-functional, that customers will not replace them without IOU incentives. A review of historical photographic records from Google Earth indicates that approximately 28% of pool cover savings occur for pools with no previous use of covers.
2. Revise the NTG to be 0.60: Workpapers appear to assume NTG values that are either out of date or not applicable for this type of measure.

**Installation rate review**

Energy Division staff analyzed PGE and SCG’s claims of the 3rd quarter of 2011 through the 2nd quarter of 2012. Using Google Earth, the Energy Division staff was able to look up, for each claim, if a pool cover was installed before the claim was made. Staff was able to identify that the majority of pools already had a covers before the claim was made. This indicates the “regressive baseline” is the typical condition. To calculate an installation rate, staff divided weighted savings for all pool installations where no previous cover could be identified by the total area weighted savings of all claims. The overall installation rate was calculated to be 0.28. Staff believes that, because SDGE and SCG workpapers require a pool cover efficiency improvement (R-Value of 2), the installation rate for SDG&E and SCG workpapers should be increased by 0.10 to 0.38. Refer to the embedded workbook, “PoolInstallationAnalysisClean.xlsx”, for the complete installation rate analysis.

To investigate the reasonableness of a regressive baseline, staff performed a simplified economic analysis that included the likely costs of continuing to operate a pool once the cover becomes non-functional. The analysis considers the following costs:

* Heating costs for water evaporation
* Water consumption costs due to evaporation
* Additional treatment and maintenance costs without cover
* Incremental cover cost of $2.60/ft2, which is the highest value from workpapers

The summary of this analysis is provided in Table 2 and shows that the typical simple payback is less than one year. With such short payback values, staff believes that a regressive baseline is not a reasonable assumption and therefore requires the installation rate adjustments described above.

Table - Pool Cover Simple Payback Examples



**NTG review**

The NTG ratios used by the utilities in their workpapers are not correct. The Energy Division staff recommends using for commercial pool covers a NTG ratio of 0.6. This value corresponds to the default NTG ratio for all commercial technologies existing for more than 2 years in the READI database as shown in Table 2.

Table 3 - NTG Ratios from READI database

|  |  |  |
| --- | --- | --- |
| NTG ID | NTG Measure Type | NTG |
| Com-Default>2yrs | All other EEMs with no evaluated NTGR; existing EEM in programs with same delivery mechanism for more than 2 years | 0.6 |

**Reference(s):**

Pool Installation Rate Analysis



Pool Cover Payback Analysis

