CPUC Comments on SWHC039-04 SCT WPP Addendum – Addition of Winter TO Savings

Lead PA: SCG

Workpaper Calculation Submittal Date: 8/25/2021

CPUC Review Date: 9/10/2021

SCG Response Date: 9/22/2021

CPUC Response Date: 11/8/2021 – see comments at the bottom of this document

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| CPUC Comment | PA Response |
| For the PY2019 DI Impact Evaluation, savings were set to zero because they were consistently negative. Incorporating TO savings would require re-assessing the point estimates and adding TO savings onto that negative starting point. | SCG agrees with the comment. SCG attempted to include the climate zone specific impact evaluation results as the baseline before Thermostat Optimization. However, the impact evaluation states that some of these results may not be statistically significant. Thus, that data was not made available. If the data had been available, SCG would have used it.  The workpaper is set to expire on 1/1/22. Allowing for a 90-day grace period prior to expiration, SCG feels there is inadequate time to incorporate the recommended changes into the impact evaluation. Therefore, SCG proposes that the Impact evaluation reported gas savings of 0 be used as the baseline before thermostat optimization. |
| The Seasonal Savings program that was run in SCG territory, and is provided as evidence of Seasonal Savings impacts, occurred during the PY2019 impact evaluation time period. Approximately half of the participants’ post-period would have included the month during with TO occurred which indicates that a substantial portion of the TO savings were already accounted for in the gas impact results. Given that this is the case and that savings estimates were still negative, it is unreasonable to assume seasonal savings necessarily increase savings above zero. | The Seasonal Savings Program included a limited population of thermostats, in a utility-paid program by SCG and MCE, in 2019. Thermostat Optimization is a new program that rolled out in 2020, to all thermostats, at no cost to customers or utilities. Therefore, Seasonal Savings represents a limited number of thermostats, compared to the Thermostat Optimization potential.  Seasonal savings programs have demonstrated savings through multiple impact evaluations. SCG used the most recent and most conservative estimate for savings from the 2018/2019 evaluation. Other IOU evaluations and prior years have shown higher impacts from Seasonal Savings.  With the help of Nest, the aggregate therm savings for the winter 2019 deployment was calculated by climate zone, based on the number of thermostats that opted-in, and the average therm savings per opt-in for each deployment. These aggregate savings were then divided by the total thermostat population in each climate zone, to get the average impact per total smart thermostat population. Results can be seen in the table below, but the average adjustment is 0.5 therms.  Based on this updated calculation, which includes the effect of the seasonal savings program on the impact evaluation, SCG requests that the allowance for winter thermostat optimization be allowed. |

**2019 Seasonal Savings Impacts already captured in the 2019 Impact Evaluation**

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| **Climate** | **2019 Seasonal Savings Adjustment** |
| **CZ01** | 0.00 |
| **CZ02** | 1.30 |
| **CZ03** | 0.20 |
| **CZ04** | 0.02 |
| **CZ05** | 0.85 |
| **CZ06** | 0.67 |
| **CZ07** | 0.00 |
| **CZ08** | 0.74 |
| **CZ09** | 0.70 |
| **CZ10** | 0.53 |
| **CZ11** | 0.00 |
| **CZ12** | 0.59 |
| **CZ13** | 0.45 |
| **CZ14** | 0.69 |
| **CZ15** | 0.52 |
| **CZ16** | 0.22 |

**SWHC039-04 Updated Gas Thermostat Optimization Savings**

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| **Climate** | **Thermostat Optimization Gas Heating (Therm/yr)** | | |
| **DMo** | **MFm** | **SFm** |
| **CZ01** | 7.3 | 3.5 | 9.5 |
| **CZ02** | 4.4 | 1.4 | 6.2 |
| **CZ03** | 4.5 | 2.0 | 5.9 |
| **CZ04** | 4.2 | 2.0 | 5.6 |
| **CZ05** | 4.2 | 1.6 | 5.8 |
| **CZ06** | 1.5 | 0.4 | 2.1 |
| **CZ07** | 1.5 | 0.7 | 1.9 |
| **CZ08** | 1.7 | 0.4 | 2.4 |
| **CZ09** | 2.2 | 0.7 | 3.1 |
| **CZ10** | 3.9 | 1.6 | 5.3 |
| **CZ11** | 4.1 | 2.0 | 5.4 |
| **CZ12** | 4.5 | 1.9 | 6.1 |
| **CZ13** | 4.9 | 2.1 | 6.6 |
| **CZ14** | 4.9 | 2.0 | 6.6 |
| **CZ15** | 2.2 | 0.8 | 3.1 |
| **CZ16** | 6.1 | 2.8 | 8.1 |

**CPUC Response to PA Response:**

The ex ante team accepts using zero as the starting point for applying optimization savings. We also accept the adjusted savings estimate designed to address overlap with existing seasonal savings programs that would have produced optimization savings during the evaluation time frame. As a result of these two issues being sufficiently addressed, the ex-ante team has completed a full review of the calculations producing the gas optimization savings. The approach and assumptions are acceptable.

Please revise the measure package currently under review SWHC039-04 to include the gas savings as outlined above. Please submit the entire measure package to the WPA.