



Comments on ALJ Ruling on Energy Efficiency Baseline Policy due Tuesday, May 17<sup>th</sup>

May 2016

On April 21, 2016, CPUC Administrative Law Judge (ALJ) Julie Fitch issued a ruling seeking comment on energy efficiency baseline policy, the CPUC/CEC Staff whitepaper, and related issues. The ruling also includes 20 questions related to the staff white paper.

Comments are due by Tuesday, May 17, 2016.

[Complete ruling, questions, and whitepaper plus appendices](#)

#### WHPA Summary

WHPA staff has prepared a summary document for the ALJ Ruling to aid your understanding of what baseline policy is, why it matters to you, and how to get your voice heard. In short, baseline policy impacts energy savings and therefore incentives, and we encourage you to review the summary document below.

[WHPA AB802 Summary Document](#)

#### What is a Baseline?

A baseline estimates a hypothetical level of energy consumption *prior to the efficiency measure being implemented* as a point of comparison for determining savings. Sometimes this is set at code-levels (code baseline) and sometimes this is set at existing conditions (existing conditions baseline). Put another way, a baseline is the estimated energy use of a piece of installed equipment.

#### Why does this Matter?

Since the baseline determines the existence and amount of savings, it impacts the amount of incentives available to customers. The lower the baseline is, the greater the savings one may claim. Greater savings means greater incentives and better cost-effectiveness of

that measure. Greater incentives help to move the customer to adoption, and better cost effectiveness means that those measures will be available in the programs longer.

#### What's the Problem?

Based on the above, one would assume that existing conditions is the best and most simplistic way to go. But there is a challenge in switching everything to existing conditions baseline: It could lead to double counting of savings if it duplicates savings attributed and already claimed by the codes and standards programs.

#### What's the Recommendation and Framework?

The CPUC set forth recommendations in a whitepaper that describe when an existing conditions baseline is, and is not, appropriate. The CPUC also developed a framework that proposes the conditions under which use of an existing conditions baseline is most likely to represent savings that are caused by utility programs.

#### How to Involved and Respond?

Since this is a formal proceeding, members must be Party to the proceeding. For the purpose of this proceeding, it may be easiest to file a "*motion for party status*" with the CPUC. If you would like to file a motion for party status, the CPUC's Public Advisor's Office provides templates you can use to create your documents. [Please click here](#) for templates and examples for Filing a motion for party status.