



ORA

*Office of Ratepayer Advocates
California Public Utilities Commission*

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JOSEPH P. COMO
Acting Director

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June 18, 2014

Honorable Steven Bradford
California State Assembly
State Capitol, Room 5136
Sacramento, CA 95814

RE: AB 2229 (Bradford) – Oppose unless amended

Dear Assemblymember Bradford:

The Office of Ratepayer Advocates (ORA) is the independent consumer advocate within the California Public Utilities Commission (CPUC). ORA's statutory mandate is to obtain the lowest possible rates for utility services consistent with reliable and safe service levels. ORA also advocates for customer and environmental protections in connection with utility service.

ORA respectfully opposes your AB 2229 unless amended. It is important to note that we share your strong interest in ensuring California is a leader in energy efficiency (EE), and recognize your overall objective to encourage utilities to work with federal agencies in pursuing more EE savings.

AB 2229, as amended on June 12, 2014, would add Public Utilities Code Section 454.57(b), to allow the Coast Guard and the Department of Defense facilities to be "eligible to calculate their energy efficiency savings by comparing the facilities' existing energy usage, as a whole, with the facilities' projected energy usage that would be achieved from the implementation of the energy efficiency measures". This language may have the unintended consequence of significantly changing the CPUC's current methodology for calculating energy savings, which includes a clear process for establishing appropriate energy savings baselines, and may result in inaccurate cost effectiveness calculations.

Current state policy requires the funding of all EE measures that are determined to be cost effective. A cost effectiveness methodology that inflates the estimated savings for measures installed at particular facilities could lead to large increases in EE budgets, and customer rates, without a commensurate increase in realized energy savings. Therefore, ORA recommends removing Section 454.57(b) from your bill to ensure that cost effectiveness is calculated uniformly across the state.

If you have any questions or would like to discuss this matter further, please call ORA's Legislative Advisor, Rebecca Lee, at (916) 327-1407 or me at (415) 703-2381.

Respectfully,

Joseph P. Como, Acting Director
Office of Ratepayer Advocates

By
Rebecca Lee
Legislative Advisor