

Designing and Evaluating DSM Portfolios in a Maturing Energy Efficiency Market



*Pacific Gas and
Electric Company™*

Duane Larson

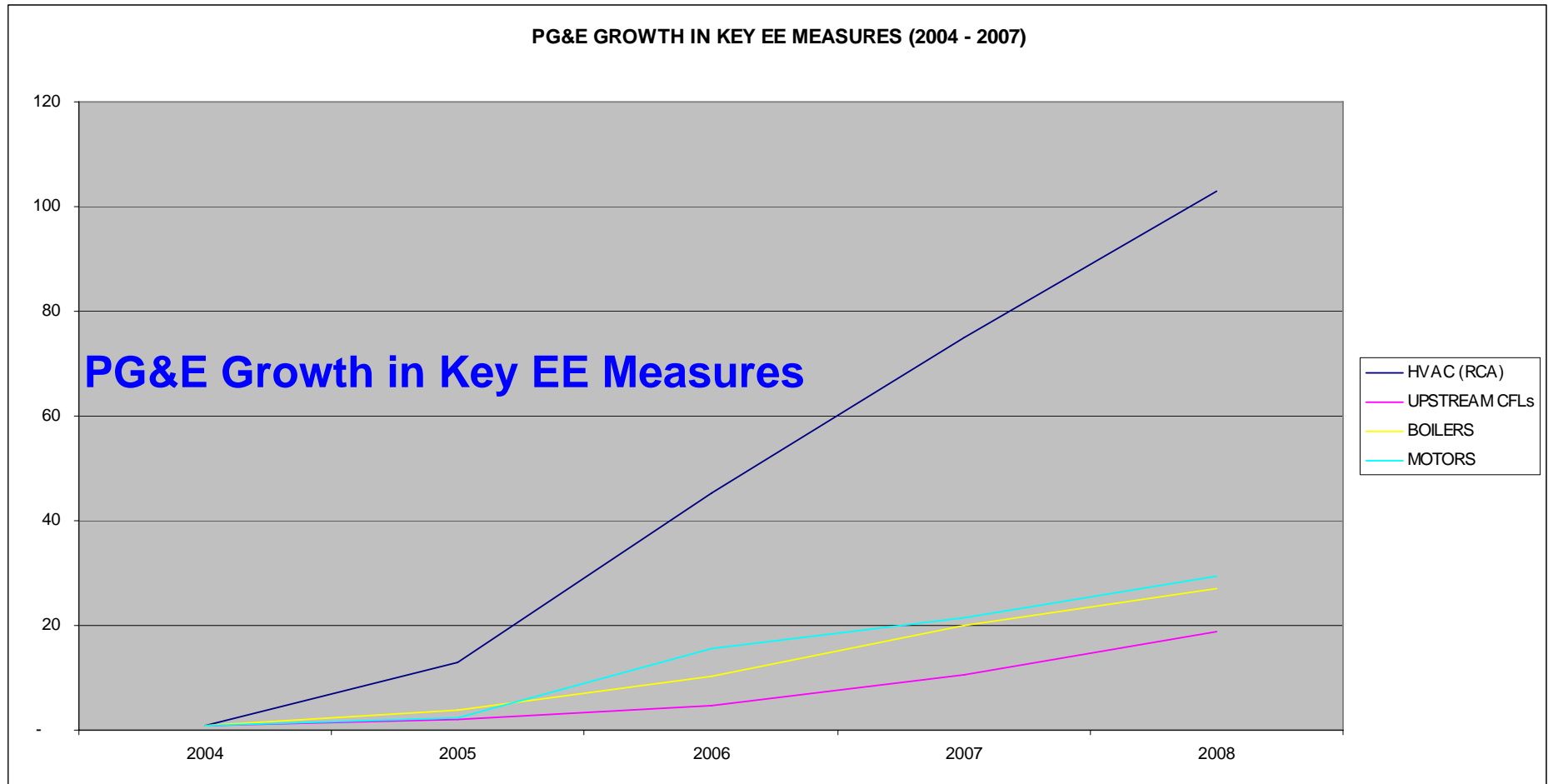
Director, Energy Efficiency Portfolio Implementation

“What are we talking about?”

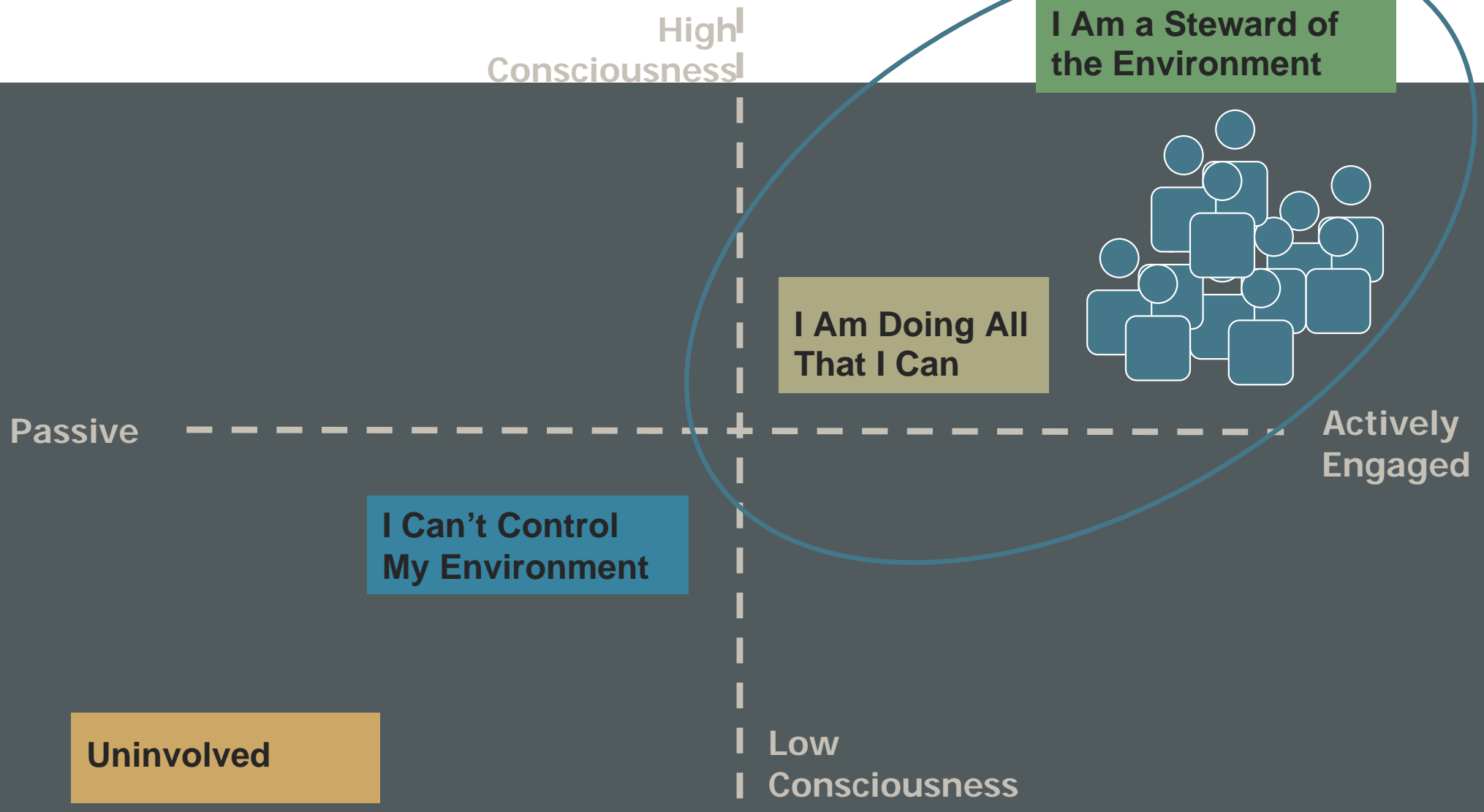
- What Maturing Energy Efficiency Market?
- Why it is good?
- What’s the problem?



Are technologies maturing and saturating EE Markets?



Are consumer attitudes maturing?



What's the Problem?

- Technology and innovation are growing faster than programs are adapting them.
- Consumers have more interest and frustration.
- Our EM&V Policy and Design hasn't kept pace to optimize the opportunities.



Evaluation Should Enable, Not Hinder

- California evaluation paradigm is focused on Net-of-Free-Ridership attribution of savings from specific widgets.
- Context requires upgraded evaluation paradigm because EE Portfolio offerings:
 - are more integrated and complex;
 - leverage other market actors; and
 - leverage the societal move to “green.”

New Evaluation Paradigm

- Acknowledge NTG impossible to evaluate accurately in today's context.
- Recognize and welcome publicly funded EE portfolio efforts becoming the “oil” of a much larger “EE machinery.”
- Welcome and track effectiveness with which leverage larger market actors EE efforts.
- Track progress in markets, using metrics and methodologies appropriate to each.
- Work to implement new metrics and methods aligned with today's context.



Example: “Super CFL”

- Super CFLs – need market push/pull IOU programs will:
 - require stringent characteristics for “Super CFL” label;
 - incent these more than traditional CFLs;
 - promote their sale across the territory and diverse retail outlets; and
 - promote their purchase with advertising and education pieces.

2006 - 2008 Energy Efficiency Portfolio: Focus on the Customer

- Portfolio includes: financial incentives and rebates, training, education, energy audits, emerging technology projects, energy codes and standards support, marketing and outreach, and evaluation activities.
- Multiple delivery channel opportunities: utility programs, partnerships, third party programs.
- Mass Market: single family, multifamily and small business customers; and Low Income Energy Efficiency.
- Targeted Markets:
 - Agriculture & Food Processing
 - Hospitality & Lodging
 - Health Care & Biotech
 - High Tech
 - Large Commercial & Institutional
 - Manufacturing & Heavy Industry
 - Residential New Construction
 - Retail
 - Schools, Colleges & Universities

Are CFLs too mature for your EE Portfolio?

Residential Lighting and Electronics remain the most cost-effective measures to reduce carbon emissions.

Any EE portfolio looking to maximize carbon reduction and cost-effectiveness needs to address the measures using the most energy.

Thank you

Duane Larson

DFL2@pge.com

415.973.8235