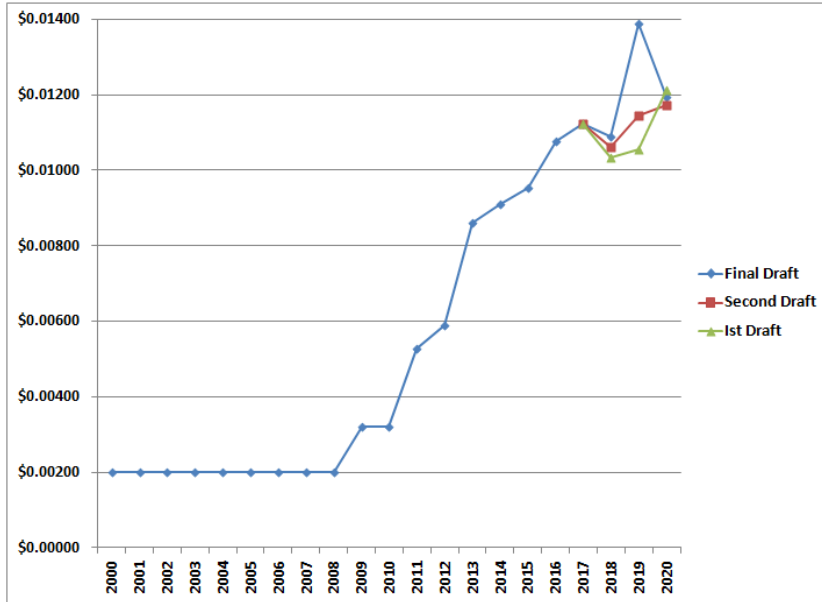


Public comment on definition change memo which will be discussed on 12/14 EERMC

Based on eligibility to make this public comment by EERMC member by new memo made by EERMC lawyer

Opposition for changing definition based on following reasons.

- 1) Voting will not be valid after EERMC already approved cost efficiency.  
There is no room to vote "na" in this situation, should have been discussed at the time of vote on cost efficiency endorsement by C-team.
- 2) There is no proof that LBNL or ACEEE is appropriate entity to refer on this change and validate new definition is correct. If so why did not apply from the beginning?
- 3) Conventional definition was used from the beginning of this program in 2008 and valid for long time, definition change give just loosening cost efficiency concept and spirit which is not beneficial for rate payer.
- 4) Strict cost efficiency was the key factor in least cost procurement law, significant loosening by this definition change is not beneficial for the public.
- 5) Cost for ductless heating and cooling heat pump system is about \$4,000 with \$800 incentive, in the beginning of 2017 at Collaborative, NG was analyzing that this program is not always cost efficient, which I agree and reasonable analysis, however, if you used new definition, cost is just \$800 and turns out to be "very cost efficient". Actual cost efficiency should be based on actual total cost which is \$4000. Now \$800 can be easily justifying this "not cost efficient program to be cost efficient program. Concept of low cost procurement is intended to invest for cost efficient program.
- 6) Motion to approve cost efficiency was made that memo need to be filed to PUC, however, this seems like not to go to PUC.
- 7) This definition change just to make loosen the cost efficient test and just give easy justification to NG's program, and not benefit at all to the public.
- 8) Another test to meet for cost efficiency is to meet "benefit cost ratio higher than one" which is extended by additional benefit of economic benefit and CO2 degassing benefit using \$100/CO2 ton. This is also loosening cost efficiency test with this additional loosening test, which is opposite direction from the law's intention of cost efficiency.
- 9) Cost in "cost benefit ratio" is still counting customer's contribution while new definition is not counting customer's contribution. It is discrepant each other between these two tests. C-team's explanation on this regard is vague. "Changing the rule during the game" create unfairness regarding cost efficiency to the public.
- 10) This change will opening the window for energy efficiency charge increase justification which create another burden to the public while there is no effective mechanism to control EE charge price increase in existing law, which is very critical to the public benefit (EE price trend was shown below).



Shigeru Osada / Member of EERMC  
 Date 12/11/2017