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Witnesses:

SCE-1

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SOUTHERN CALIFORNIA
EDISON

An *EDISON INTERNATIONAL* Company

(U 338-E)

***Testimony of Southern California Edison Company in
Support of Application for Approval of Low-Income
Assistance Programs and Budgets for Program Years
2009 through 2011***

Before the

Public Utilities Commission of the State of California

Rosemead, California
May 15, 2008

TESTIMONY OF SOUTHERN CALIFORNIA EDISON COMPANY IN SUPPORT OF APPLICATION FOR APPROVAL OF LOW INCOME ASSISTANCE PROGRAMS AND BUDGETS FOR PROGRAM YEARS 2009 - 2011

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1 **INTRODUCTION OF TESTIMONY**

2 In accordance with the California Public Utilities Commission’s (Commission) directives as set
3 forth in Decision (D.) 07-12-051,¹ Southern California Edison Company (SCE) hereby submits this
4 testimony (the “Testimony”) in support of its Application for Approval of its Low-Income Assistance
5 Programs and Budgets for program years 2009, 2010, and 2011 (the “Application”). These low-income
6 assistance programs consist of the Low-Income Energy Efficiency (LIEE) program, the California
7 Alternate Rates for Energy (CARE) program, and the Cool Center program.

8 **CHAPTER 1 – LOW-INCOME ENERGY EFFICIENCY PROGRAM**

9 **I.**

10 **OVERVIEW**

11 This Chapter of the Testimony discusses the administrative activities and budget for SCE’s 2009,
12 2010, and 2011 LIEE program by expenditure category, as well as details concerning the program’s plan
13 and ratemaking treatment.

14 In D.07-12-051, the Commission adopted a “broadly-stated programmatic initiative” for the
15 LIEE program: “To provide all eligible customers the opportunity to participate in the LIEE programs
16 and to offer those who wish to participate all cost-effective energy efficiency measures in their
17 residences by 2020” (the “Programmatic Initiative”).²

18 In Ordering Paragraph 4 of D.07-12-051, the Commission ordered that the applications of SCE,
19 Pacific Gas and Electric Company (PG&E), Southern California Gas Company (SoCalGas), and San
20 Diego Gas & Electric Company (SDG&E) (collectively, the “Joint Utilities”) do the following:

¹ *Decision Providing Direction for Low-Income Energy Efficiency Policy Objectives, Program Goals, Strategic Planning and the 2009-2011 Program Portfolio and Addressing Renter Access and Assembly Bill [2104] Implementation*, dated December 20, 2007.

² D.07-12-051, p. 4.

- 1 • Propose a portfolio that identifies the benefit-cost ratio for each program and a justification
2 for each program that is not cost-effective, as required in D.02-08-034 and according to the
3 Commission’s cost-effectiveness methodology;
- 4 • Be designed to achieve over the three-year budget period approximately 1/4th of the
5 Programmatic Initiative adopted here;
- 6 • Demonstrate that all program elements included toward the achievement of the initiative
7 articulated here are cost-effective using the total resource test adopted in D.02-08-034;
- 8 • Propose program elements that may not be cost-effective but that serve other important
9 policy objectives and provide justifications for each consistent with D.02-08-034;
- 10 • Present specific strategies and programs for the budget years 2009-2011 toward
11 accomplishing the LIEE Programmatic Initiative articulated here that emphasizes long-term
12 and enduring energy savings, ways to leverage the resources of other entities, and ways to
13 integrate LIEE programs with other demand-side programs, especially energy efficiency
14 programs, as discussed herein;
- 15 • Propose Marketing, Education & Outreach (ME&O) programs to promote LIEE programs
16 and the LIEE Programmatic Initiative, including a program element that targets renters;
- 17 • Propose a process for automatically qualifying all tenants of public housing and tenants of
18 Section 8 housing improving information to public housing authorities;
- 19 • Eliminate or modify the Ten-Year “Go-Back” Rule to permit installations of new measures
20 and technologies in all households while avoiding duplicative installations;
- 21 • Propose ways to promote program continuity and long-term LIEE investments with more
22 flexible budgeting and funding rules, consistent with the practices;
- 23 • Propose specific program participation goals in specific population sectors or segments and
24 budgets designed to meet those goals, consistent with D.06-12-038;
- 25 • Propose methods of tracking costs for each program element and participation in each that
26 will permit cost-benefit analysis for each program element and that are consistent for all
27 utilities; and

- Analysis of how Assembly Bill (AB) 1109 may affect their programs and the deployment of compact fluorescent lights (CFLs) in California.

SCE is proposing a portfolio that includes cost-effective measures for all eligible customers. The portfolio is augmented by measures that will produce long-term and enduring savings, such as cooling measures, which help promote the comfort, health and safety of eligible low-income customers. SCE's proposed LIEE program is designed to achieve 1/4th of the Programmatic Initiative by December 2011, and will provide enduring savings. To achieve the Programmatic Initiative, SCE is requesting a three-year program budget of \$165 million. The request is 64% larger on an annualized basis than SCE's authorized 2007 and 2008 LIEE program budgets. The increased program budget, together with leveraging the resources of other entities such as California Department of Community Services and Development's (DCSD) Low-Income Home Energy Assistance Program (LIHEAP) service providers and improving integration with SCE's energy efficiency and demand-side programs, will enable SCE to provide the measures and reach the number of homes required to achieve 1/4th of the Programmatic Initiative and achieve the MWh savings and MW demand reduction as indicated in Table I-1.

Table I-1

Program Year	Homes	Budget	Annual	
			MWh	MW
2009	75,243	\$53,594,000	29,605	11.0
2010	75,243	\$54,783,000	32,992	12.2
2011	75,243	\$56,633,000	33,031	12.4
3-Years	225,729	\$165,010,000	95,628	35.6

Providing all eligible customers the opportunity to participate by 2020 will require SCE to become more creative in its implementation of all aspects of its low-income assistance programs. SCE is, among other things, proposing to retool its LIEE customer education package and employ advanced marketing, education, and outreach strategies in order to reach customer segments with specific language preferences. SCE will differentiate the message according to factors including geography/climate, electricity consumption, density, housing type, owners, and renters.

For 2009 to 2011, SCE is proposing budgets that will target specific segments to receive LIEE services. In particular, SCE is proposing specific budgets to target customers according to where they

1 are located – mild climate zones or extreme climate zones. Further, as noted in Section V.D.2 of this
2 Chapter, SCE is proposing a specific outreach approach that targets renters. Specifically, SCE plans on
3 outreaching to households on rates most likely to be occupied by renters including the DM (Domestic
4 Master metered) and DMS (Domestic Master Submetered) rates. SCE is also proposing an integration
5 strategy with public housing authorities so that tenants of public housing and Section 8 housing can be
6 easily enrolled in CARE. In addition, SCE will work with public housing authorities and apartment
7 owner associations to market LIEE and CARE. SCE is proposing modifications to the Ten-Year “Go-
8 Back” Rule in order to provide customers with eligible measures while preventing duplicative
9 installations. SCE’s Testimony also discusses tracking program costs and revisions to budgeting and
10 funding rules that will ensure program continuity and long-term investments. SCE discusses Assembly
11 Bill 1109 and federal legislation related to the deployment of CFLs in California. The new legislation
12 will affect CFL delivery in the later years of the Programmatic Initiative, but should have minimal
13 impact during the 2009-2011 application period.

14 On June 2, 2008,³ the California utilities will submit the California Energy Efficiency Strategic
15 Plan (CEESP), which will include a specific chapter for the LIEE sector and complementary cross-
16 cutting strategies that will ensure an integrated approach to meeting the Commission’s Big Bold
17 Initiatives. The LIEE Chapter of the CEESP will include specific strategies that address customer
18 segmentation to improve service delivery, collaboration and leveraging with other programs, integration
19 with energy efficiency and other demand-side management programs, the development of a trained
20 LIEE workforce through Workforce Education and Training (WE&T), specific program elements that
21 emphasize long-term and enduring savings, and the deployment of Marketing, Education and Outreach
22 (ME&O) strategies that are consistent with energy efficiency strategies.

23 As described in Sections III.C. and V.B.1 of this Chapter, SCE has developed a segmentation
24 approach to improve service delivery by differentiating outreach and program delivery to customers in

³ *Assigned Commissioner’s and Administrative Law Judge’s Ruling Regarding Due Dates for 2009-2011 Energy Efficiency Portfolio Plans and Energy Efficiency Strategic Plan Applications*, dated May 5, 2008, which grants an extension to June 2, 2008 to file the CEESP.

1 mild climate zones and extreme climate zones. Customers will continue to be eligible to receive all
2 feasible measures. In Section V.F. of this Chapter, SCE describes its collaboration and leveraging with
3 other programs, including LIHEAP and utility programs operating in overlapping service areas. SCE
4 discusses its approach to integrating LIEE services with energy efficiency and other demand-side
5 programs in Section V.E. of this Chapter, including the extension of LIEE services into the new
6 construction market. Section V.D.3 of this Chapter includes SCE's proposals for ensuring a trained
7 workforce and efforts to coordinate and leverage the results of the WE&T Needs Assessment through
8 participation in the WE&T task force. SCE's portfolio of LIEE measures will produce long-term and
9 enduring energy savings. The proposed measures are presented in Section V.C. of this Chapter. SCE's
10 ME&O proposals, including the development of a statewide program name or tag line, and ME&O to
11 customer segments are discussed in Sections V.D.1 and V.D.2 of this Chapter, respectively. Figures I-1,
12 I-2 and I-3, compare the measure and installation costs, energy savings, and demand reduction by end-
13 use according to SCE's projected installations for 2009-2011.

Figure I-1
2009-2011 SCE LIEE Program Measure
And Installation Costs (\$ Millions) by Measure Group
(Total = \$118.1 Million)

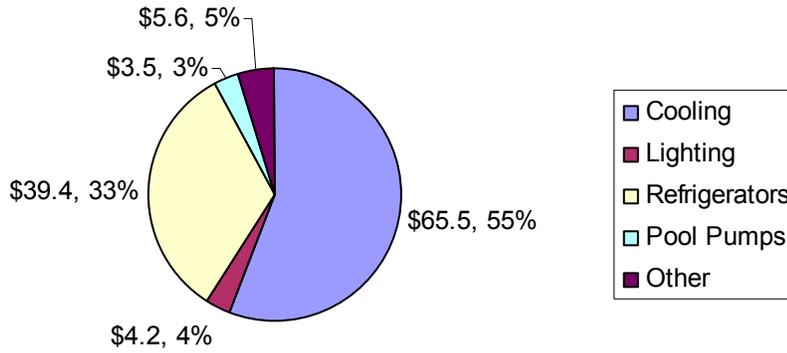


Figure I-2
2009-2011 SCE LIEE Program
Annual MWh Savings by Measure Group
(Total = 95,628 MWh)

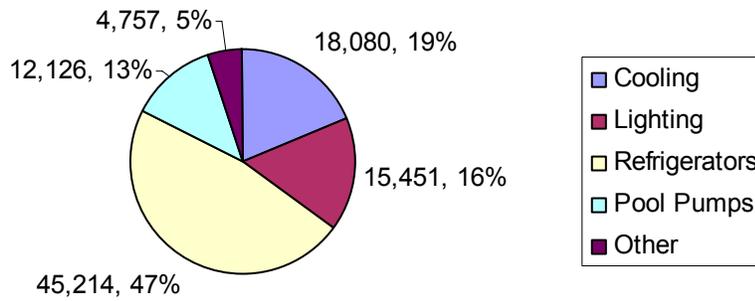
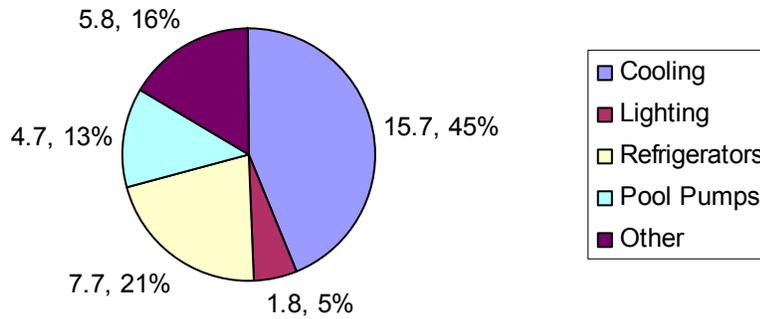


Figure I-3
2009-2011 SCE LIEE Program
Annual MW Reduction by Measure Group
(Total = 35.7 MW)



1 Finally, SCE jointly held⁴ and participated in⁵ public workshops to ensure that all stakeholders
2 had an opportunity to comment on the proposed plans of SCE, PG&E, SDG&E and SoCalGas for the
3 2009-2011 budget cycle.

⁴ SCE’s 2009, 2010 and 2011 LIEE program was discussed during a workshop that was noticed and held jointly with SoCalGas in Downey, California on March 12, 2008.

⁵ For example, SCE participated in a number of public workshops in connection with the California Energy Efficiency Strategic Plan (CEESP) that discussed LIEE programs and workshops relating to among other things, cost-effectiveness and LIEE program delivery.

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II.

BACKGROUND

Utility LIEE programs were developed in the early 1980's in response to growing concerns about the lack of equitable participation by low-income customers in utility conservation programs. While rebate incentives were available to customers purchasing and installing energy-efficient measures, these same incentives were not accessible to low-income customers who could not afford the initial investment. To address this equity issue, the Investor-Owned Utilities (IOUs) were directed to establish free weatherization programs for low-income customers that were funded through operating budgets. With a limited number of low-income customers residing in electric-heated homes, SCE's focus turned to offering the newest technology in light bulbs and addressing the critical needs of customers residing in hot climate areas.

In October 1996, the California Legislature and Governor partially restructured the electricity industry through the passage and enactment of AB 1890. Included in the legislation was the establishment of a non-bypassable surcharge to ensure ongoing funding for "public purpose programs" that were deemed to be in the public interest in the areas of energy efficiency, research and development, renewable energy, and the low-income assistance programs, LIEE and CARE. The Commission responded to the legislation with the establishment of the Public Goods Charge (PGC) in 1998, which is applied to each kWh sold by the IOUs. The PGC is applied to all rate schedules for the purpose of funding LIEE programs.

The energy crisis that hit California in 2001 brought about a statewide effort to increase the installation of electric appliances in low-income homes. In April 2001, State legislation was passed (Senate Bill X1 5) and the Commission, in D.01-05-033,⁶ allocated \$40 million for the installation of appliances and other measures in low-income homes. With the one-time investment in additional

⁶ Ordering Paragraph 2.

1 electric measures completed in 2002, PGC-funded utility budgets increased in 2003,⁷ and the IOUs'
2 attention turned to evaluating pilot measures for the LIEE program on the basis of cost-effectiveness.

3 Over the last several years, the IOUs have expanded the measures offered to eligible customers –
4 taking into account cost-effectiveness – and have taken steps to ensure that customers receive a
5 comprehensive series of measures. SCE's LIEE program continues to provide energy savings to
6 customers and addresses the Commission's long-standing policy to promote equity in service delivery to
7 low-income customers.

⁷ D.02-12-019, Ordering Paragraph 2.

1 III.

2 **PROGRAM GOALS**

3 **A. Program Achieves 1/4 of Programmatic Initiative**

4 In developing plans for program years 2009 through 2011 and an estimation of how many
5 customers would comprise 25% of the Programmatic Initiative adopted in D.07-12-051, the Joint
6 Utilities needed to develop a starting or base point.

7 First, the number of customers potentially eligible for LIEE services in each utility’s service area
8 was taken from the Joint Utility methodology adopted by the Commission in D.01-03-028. This
9 methodology was used to develop an annual estimation of eligibility for LIEE and CARE for each IOU
10 territory and for the State as a whole.⁸

11 Second, the Joint Utilities determined how many customers would likely decline to participate in
12 LIEE. The Joint Utilities used an estimate provided in the KEMA Statewide Needs Assessment Report
13 (KEMA Report) of 10%.⁹

14 Third, the Joint Utilities determined how many low-income households had been previously
15 served by the LIEE program in the past. Historically, the Joint Utilities have adhered to the Ten-Year
16 “Go-Back” Rule and counted all of the homes treated within the last ten years as homes previously
17 served by the LIEE program, and therefore not currently eligible for participation. However, D.07-12-
18 051 directs the utilities to “eliminate or modify the Ten-Year “Go-Back” Rule to permit installations of
19 new measures and technologies in all households while avoiding duplicative installations.”¹⁰ When
20 evaluating this requirement and assessing the levels of service provided to customers over the past ten
21 years, the Joint Utilities decided that the number of customers served since the end of 2001, when
22 “Rapid Deployment” measures were included in the program, best represented the number of customers
23 who had received “all feasible measures,” because only a few new measures have been introduced since

⁸ Sources for this estimation include the Commission’s current guidelines, current year small area vendor marginal distributions on household characteristics, Census PUMS 2000 and PUMS 2004-2006 sample data, utility meter and master meter household counts, Department of Finance CPI series, and various GIS sources.

⁹ The report, titled “Final Report on Phase II Low-Income Needs Assessment” was published on September 7, 2007.

¹⁰ D. 07-12-051, Ordering paragraph 4.

1 that time and larger saving measures, such as air conditioning, were implemented in the program as “go-
2 back” measures.

3 The Joint Utilities also agreed that households who had been served by LIHEAP since the end of
4 2001 should also be considered as having been served because LIHEAP offers most, if not all, of the
5 same measures provided by LIEE, and even some not offered by LIEE. Any home that has been served
6 by LIHEAP is deemed ineligible for service under LIEE at the time of assessment because these homes
7 have already been made energy-efficient and should not need any measures or services offered under the
8 LIEE program.

9 Using the process described above, SCE estimates that 216,736 customers in its service territory
10 make up 1/4th of the Programmatic Initiative:

Table III-2¹¹

1,342,945	Number of estimated eligible using the Commission-adopted demographic model
134,295	Estimated number of households unwilling to participate (10%)
286,789	Number of households served by LIEE from 2002-2008 (actuals plus estimate for 2008)
54,918	Number of households served by LIHEAP from 2002-2008 (actuals plus estimate for 2008)
866,943	Base point for calculating 25% of the Programmatic Initiative
216,736	25% of Programmatic Initiative in program years 2009-2011

11 The 10% estimate of how many customers will decline participation is LIEE in only an estimate,
12 and may need adjustment through the 2009-2011 program cycle. In fact, the 10% estimate was applied
13 to the CARE program in the KEMA Report, and appears conservative when applied to LIEE. SCE
14 believes it is quite possible that the number of unwilling customers may be substantially higher for
15 LIEE. Unlike CARE, which involves completing an application and self-certifying income, the LIEE
16 program usually requires income verification and is far more intrusive. Customers must schedule time
17 for their homes to be assessed, and at least one visit for the actual installation and inspection of
18 measures. Although the CARE enrollment process is less intrusive, even with multiple offers through

¹¹ Figures in Table III-2 are rounded to the nearest thousand.

1 various channels over the past several years going out to customers to participate in CARE, more than
2 20% of SCE’s presumed estimated eligible customers are not participating in CARE.

3 It is important to note that tracking the number of customers who are unwilling to participate in
4 the LIEE program is a difficult process because the tracked information is comprised of two
5 components, and because the information has not been tracked in the past. The first component tracks
6 those customers who provide an affirmative rejection for program participation (which the Division of
7 Ratepayer Advocates (DRA) agrees should be considered when tracking the number of customers to
8 which LIEE measures are offered).¹² SCE plans to track this group of customers. The second
9 component is tracking those customers who have been contacted by LIEE representatives on multiple
10 occasions, but do not specifically express affirmatively or negatively their desire to participate in the
11 LIEE program. The most pressing question to address is how much time and money should be
12 expended by SCE to continue to reach these customers. SCE will need to determine when to cease
13 expending resources to enroll a specific customer who remains unresponsive to multiple outreach
14 attempts (e.g., multiple direct mail pieces, telephone calls and in-person visits).

15 For now, SCE believes it is appropriate to use the KEMA Report estimate until more data can be
16 gathered and analyzed by the Joint Utilities and the Commission to provide a better means of estimating
17 the number of customers who are unwilling to participate in the LIEE program. The Joint Utilities will
18 work together to further refine the standard means of deriving the number of LIEE customers on which
19 to base the achievement of the Commission’s Programmatic Initiative.

20 **B. Program Meets Policy Objectives**

21 The Commission outlined LIEE’s key policy objectives in D.07-12-051 stating that “[t]he key
22 policy objectives for LIEE programs, like that of our non-LIEE energy efficiency programs, is to
23 provide cost-effective energy savings that serve as an energy resource and to promote environmental
24 benefits. Concurrently, we retain our commitment to ensuring the LIEE programs add to the

¹² See DRA’s Comments on the Preliminary California Energy Efficiency Strategic Plan, submitted on March 24, 2008, p. 17.

1 participant’s quality of life, which implicates equity, energy affordability, bill savings and safety and
2 comfort for those customers who participate in LIEE programs.”¹³

3 As a single source electric utility, SCE began the delivery of energy-efficient services to low-
4 income customers in the early 1980s, with similar policy objectives as those outlined by the
5 Commission. SCE became the first California IOU to offer energy-efficient and cost-effective CFLs
6 and was the first IOU to offer evaporative coolers to customers in hot weather communities.

7 SCE has designed a program consistent with the policy objectives outlined by the Commission.
8 For 2009-2011, SCE is proposing a mix of cost-effective measures and measures that will serve as an
9 energy resource, help customers reduce their energy use and provide health, safety and comfort benefits
10 to customers affected by hot temperatures. In designing a program that takes advantage of all cost-
11 effective energy efficiency opportunities, SCE considered electric measures ranging from those
12 contained in the 2008 program portfolio to measures recommended in public workshops. Cost-
13 effectiveness was the first criteria considered in the review of potential measures, with the following
14 measures calculated with the highest cost-effectiveness value: efficiency lighting, refrigerator
15 replacement, evaporative cooler installation, central air conditioner maintenance, and pool pump
16 replacement.

17 In evaluating measures that were not cost-effective, SCE was guided by the Commission’s intent
18 to “... continue to authorize funding for measures that serve important social objectives but may not be
19 cost-effective, as long as they serve our primary objective of reducing energy use and promoting other
20 values such as participants’ quality of life.”¹⁴ As an electric utility encompassing over 50,000 square
21 miles in a service territory that contains a desert region twice the size of the other IOUs, SCE is
22 challenged to provide assistance to those low-income customers living in hot weather communities and
23 operating inefficient air-conditioners. In SCE’s desert communities, finding relief from the heat is
24 essential to health, safety, and comfort, particularly for elderly and disabled customers. The economic,

¹³ D.07-12-051, p. 25.

¹⁴ D.07-12-051, p. 29.

1 health and safety burden of temperatures regularly rising over 100 degrees disproportionately affects
2 low-income customers. The availability of cooling measures to customers living in hot geographic areas
3 creates opportunities for residents to reduce their air-conditioning costs while maintaining a cool home
4 that protects them from potential health risks associated with inadequate cooling. While cooling
5 measures do not meet the strict criteria for being considered a cost-effective measure, cooling measures
6 meet all other policy objectives by providing a resource, offering bill savings to customers and
7 addressing societal values, such as customer health, safety, and comfort, and environmental protection.
8 Installation of energy-efficient heating, ventilation and air conditioning (HVAC) and window/wall air
9 conditioners measures contribute to peak load savings by taking off-line inefficient cooling systems.
10 These same cooling measures produce bill savings to customers through increased efficiency and
11 provide customers with health, safety and comfort benefits by mitigating extended periods of high
12 temperatures.

13 **C. Goals By Population/Segments**

14 Segmenting by climate zone is the single most effective segmentation method available to SCE.
15 Customers in the mild climate zones (climate zones 6, 8, 9), typically those areas closest to the ocean, do
16 not generally experience the cold winters or the hot summers that customers in the more extreme, inland
17 climate zones (climate zones 10, 13, 14, 15, 16) experience. Because of this reduced need for winter
18 heating and summer cooling, LIEE customers in the mild climate zones are not eligible for the HVAC
19 measures that are potentially available to LIEE customers in the extreme climate zones. The only major
20 measures that are available in mild climate zones are relamping (e.g., CFLs, torchieres, and hard-wired
21 porch lights), pre-1993 refrigerators and pool pumps. After years of replacing the older refrigerators
22 that are eligible for replacement under the LIEE program, and also due to the estimated useful life of
23 refrigerators that are 16 years or older, the vast majority of households in the mild climate zones are now
24 only eligible for relamping. The majority of relamping is screw-in CFLs, which are easy and
25 inexpensive to deliver, as compared to the complexity and costs of assessing for and installing HVAC
26 systems. Therefore, SCE has segmented its ME&O efforts, and thus participation goals, by these two
27 groups of climate zones.

Table III-3

Segment	Est. # HH Treated / Yr	Est. Budget / Yr.¹⁵
Mild Climate Zones	44,422	\$11,491,097
Extreme Climate Zones	30,822	\$31,004,655

1 As noted in Section V.D.2 of this Chapter, SCE plans to outreach to households served by the
2 DM and DMS rates. These households are essentially all renter-occupied. SCE estimates that there are
3 approximately 30,300 households served by the DM rate in SCE’s territory, 18,300 of which are income-
4 eligible for LIEE. SCE will target those households, excluding the households that have already been
5 treated through the LIEE program since the end of 2001.

6 **D. Program Meets Savings Goal**

7 Based on estimated customer response and eligibility rates to planned outreach efforts in 2009-
8 2011, and also based on the estimated mix of measures for which those willing and eligible customers
9 will qualify, SCE estimates a total LIEE savings for the 2009-2011 program years of 85,778,092 net
10 kWh and 26,723 net kW. Based on the conversion factors from the E3 calculator, this corresponds to a
11 reduction of 48,919 ton of the greenhouse gas carbon dioxide (CO₂), 13,197 pounds of oxides of
12 nitrogen (NO_x)¹⁶ and 6,288 pounds of particulate matter smaller than 10 microns.

13 This forecasted demand reduction will contribute towards what may be the most urgent issue for
14 the California electricity market: preventing outages in the summer as more and more load is added each
15 year. Energy efficiency and demand response has been recognized as the best near-term approach to
16 maintaining system reliability. LIEE, as part of the overall energy efficiency strategy, can and should
17 support this goal.

¹⁵ Electric measure costs, excluding low-volume measures that are not weather sensitive.

¹⁶ “Nitrogen oxides (NO_x) are defined as the sum of nitric oxide (NO) and nitrogen dioxide (NO₂). NO_x contributes to the formation of ozone and particulate matter pollutants, both of which are major air pollutants.” California Air Resources Board website, http://www.arb.ca.gov/ch/air_result/crockett/cr_nox.htm.

1 IV.

2 **COST-EFFECTIVENESS AND ENERGY SAVINGS**

3 **A. Benefit/Cost Ratio of Program**

4 Pursuant to D.07-12-051, SCE analyzed LIEE cost-effectiveness at both the measure and
5 program levels. The details of SCE's cost-effectiveness analyses are appended as Attachments A-5
6 through A-7. SCE used the two cost tests previously adopted for the LIEE program, the Utility Cost
7 Test (UCT) and the Modified Participant Cost (MPT) test, and identified the benefit/cost ratio. In
8 addition, SCE's analyses included the Total Resource Cost (TRC) test.¹⁷

9 **1. Background**

10 In D.02-08-034, the Commission instructed the utilities to evaluate the cost-effectiveness
11 of the LIEE program measures for the program year 2003 using the UCT and the MPT. The tests
12 incorporate non-energy benefits (NEBs) such as comfort, health and safety, as well as direct energy
13 savings benefits to assess LIEE program cost-effectiveness. The methodology for conducting these tests
14 and the criteria for evaluating the test results were recommended to the Commission by the Cost-
15 Effectiveness Subcommittee of the Reporting Requirements Manual Working Group and the LIEE
16 Programs Standardization Project Team (the Subcommittee) in a jointly filed report in March 2002¹⁸ and
17 were subsequently adopted by the Commission in D.02-08-034.

18 The cost-effectiveness approach adopted by the Commission in D.02-08-034 directed the
19 application of two tests: the MPT, which assesses measures from the perspective of LIEE participants;¹⁹
20 and the UCT, which is calculated from the point of view of the utility. Both tests incorporate a set of

¹⁷ As directed by the *Assigned Commissioner's Ruling Providing Guidance for Low-Income Energy Efficiency 2009-2011 Budget Applications*, dated April 1, 2008 and by D.07-12-051, Ordering Paragraph 4.

¹⁸ *Final Report for LIEE Program and Measure Cost-Effectiveness*, submitted to the Commission by the Cost-Effectiveness Subcommittee of the Reporting Requirements Manual Working Group and the LIEE Standardization Project Team, March 28, 2002.

¹⁹ The Participant Test was modified to use utility LIEE program costs in order to create a benefit cost ratio, since low-income customers do not incur out-of-pocket expenses to obtain LIEE measures. The DRA wanted to estimate and use for this test the opportunity costs incurred by low-income customers in lieu of any out-of-pocket expenses incurred; however, the Subcommittee decision was to base the benefit cost ratio on known costs (in this case, the direct costs incurred by the utilities to install the measures), hence the Modified Participant Test.

1 NEBs as well as direct energy-related benefits. These NEBs capture a variety of effects such as changes
2 in comfort and reduction in hardship, which are not captured by the energy savings estimates derived
3 from load impact billing evaluations, and are ignored in more traditional cost-effectiveness approaches
4 like the TRC Test. The NEBs developed for these tests were initially designed for use at the program
5 level and were allocated to individual measures according to their energy savings.

6 The specific costs included in the MPT and UCT depend upon the application. In
7 assessing overall program cost-effectiveness, both measure and installation costs, and a variety of non-
8 installation costs that are charged to the program (administration costs, outreach and training, reporting
9 costs, etc.) were considered. In evaluating the cost-effectiveness of individual measures, however, only
10 installed measure costs were included in the benefit cost ratio. These installation costs are sometimes
11 referred to as incremental or marginal costs. There was much discussion on this particular issue when
12 the tests were initially developed (for example, whether to include opportunity costs, or whether to
13 include both measure and installation costs, and non-installation program costs).

14 In the end, it was decided that from an economic perspective, the cost-effectiveness
15 analysis should consider only those costs that were truly affected by the immediate decision at hand and
16 be based on costs that are known or could be reasonably estimated. In applying the cost-effectiveness
17 framework to individual measures, the decision at hand was whether a specific measure should be
18 retained or dropped from the program. Insofar as retaining or dropping a specific measure would have a
19 relatively minor impact on non-installation costs that are charged to the program, these non-installation
20 costs were ignored in the application of the measure level cost-effectiveness tests.

21 In June 2003, the Subcommittee filed a report describing the analysis and results of the
22 measure cost-effectiveness testing for the 2003 programs.²⁰ This report included recommendations for
23 keeping or dropping measures in the programs based on their cost-effectiveness results.

²⁰ *LIEE Measure Cost-Effectiveness*, submitted to the Commission by the Cost-Effectiveness Subcommittee of the Reporting Requirements Manual Working Group and the LIEE Standardization Project Team, June 2, 2003.

2. LIEE Cost-Effectiveness Testing For The 2009 To 2011 Program

For 2009 to 2011, the Commission instructed the utilities to provide program-level and measure-level benefit cost ratios using the UCT, the MPT, and the TRC tests.²¹ Because the measure-level benefit cost ratios produced for this Application are to assess the cost-effectiveness of the program as a whole, non-installation costs were included in the analysis, unlike the previous analysis completed for the 2003 programs described above. In addition, because significant changes have been made since 2003 in the way avoided costs are included in energy efficiency analyses, the E3 Calculators for 2009-2011 program planning²² were used in this analysis to measure avoided cost benefits. The steps involved in conducting the cost-effectiveness tests for the 2009 to 2011 programs are summarized below.

The MPT was conducted using the methodology approved by the Commission for the 2003 program year evaluation. The previous model was updated with the proposed measure installation quantities, proposed program costs, and updated energy savings impacts.²³ The benefit cost ratio for the MPT test consists of the net present value (NPV) of energy savings valued at retail rates, and NEBs for the participant in the numerator, and the cost of the program (both measure installation and non-installation costs) in the denominator. For measure level benefit cost ratios, the non-installation costs were allocated based on the energy savings of the measure.

The UCT was conducted in two stages. First, the NEBs model used in the program year 2003 evaluation was used to calculate program level NEBs, similar to the analysis for the MPT but with utility-specific NEBs specified rather than participant-specific NEBs. Second, the E3 Calculator was used to derive the avoided costs. The E3 Calculator was populated with the proposed measure installation quantities, proposed program costs, and the energy savings impacts described above for the

²¹ *Assigned Commissioner's Ruling Providing Guidance for Low-Income Energy Efficiency 2009-2011 Budget Applications*, April 1, 2008.

²² E3 cost-effectiveness calculators were downloaded from http://www.ethree.com/cpuc_ee_tools.html.

²³ *See* footnote 24. Most of the impacts used in the analysis were taken from the 2005 Impact Evaluation conducted by West Hill Energy & Computing and described later in this Testimony. Where impacts were not provided in this study, they were taken from the Database for Energy Efficiency Resources (DEER) or workpapers developed by the utilities.

MPT. The benefit cost ratio for the UCT test consists of the NPV of avoided cost savings for the utility plus the utility NEBs in the numerator, and the cost of the program (both measure installation and non-installation costs) in the denominator. For measure level benefit cost ratios, the non-installation costs were allocated based on the energy savings of the measure.

The TRC test was conducted using the E3 Calculator for 2009 to 2011 programs. The E3 Calculator provides program level results and measure-specific results with non-installation costs allocated based on the energy savings of the measure. The TRC test does not include NEBs, so in this respect it is not comparable to the results of the MPT and the UCT.

More information on cost-effectiveness is provided in Attachments A-5, A-6, and A-7. The cost-effectiveness results vary by measure type, climate zone, housing type, and the specific test. Some measures pass all three tests, some pass one or two, and others do not pass any of the tests. Measures that do not pass cost-effectiveness are being proposed in order to provide health, safety, comfort, and/or bill savings to participating customers. SCE’s overall program cost-effectiveness using the three tests is presented in Table IV-4.

Table IV-4
SCE Budget Highlights

Program Year	Homes	Budget	Annual		Benefit / Cost Ratios		
			MWh	MW	MPT	UC	TRC
2009	75,243	\$53,594,000	29,605	11.0	2.15	0.72	0.57
2010	75,243	\$54,783,000	32,992	12.2	2.12	0.68	0.55
2011	75,243	\$56,633,000	33,031	12.4	2.08	0.64	0.54
3-Years	225,729	\$165,010,000	95,628	35.6	2.12	0.68	0.55

Modified Participant Test:

Air-conditioning servicing, duct sealing and testing, refrigerators, torchieres, CFLs, pool pumps, and water conservation measures are cost-effective across all housing types and climate zones. All other measures are cost-effective in some housing types and climate zones, with the exception of new air-conditioners that would be provided as new construction measures.

Utility Cost Test:

1 Air-conditioner servicing, CFLs and torchieres are cost-effective across all climate zones and
2 housing types. Water conservation, duck sealing and testing almost always are cost-effective. Air-
3 conditioners provided as replacements or through new construction, envelope and air sealing,
4 evaporative coolers, and heat pumps are not cost-effective in any climate zone or housing.

5 Total Resource Cost Test:

6 Air-conditioner servicing, CFLs, and torchieres are cost-effective across all climate zones and
7 housing types. Water conservation, duct sealing and testing, frequently are cost-effective. Air-
8 conditioners provided as replacements or through new construction, envelope and air sealing,
9 evaporative coolers, refrigerators, pool pumps, and heat pumps are not cost-effective in any climate zone
10 or housing type.

11 **B. Impact Evaluations**

12 Savings factors identified in the 2005 Impact Evaluation²⁴ were used to determine cost-
13 effectiveness and estimate potential savings applied to the 2009-2011 LIEE programs.

14 **1. Background**

15 Previous impact evaluations were conducted for program years 1998, 2000, 2001 and
16 2002. D.03-10-041 specified that impact evaluations should take place every two years. However, the
17 LIEE impact evaluation for program year 2002 recommended modifications to the data collection for
18 improving future impact evaluations, and given the lead time required to make these changes, the impact
19 evaluation originally to be conducted for program year 2004 was postponed until program year 2005.

20 The previous four LIEE evaluations were based on billing analyses, a decision that was
21 largely dictated by the availability of data, time frame and budget. However, there were ongoing issues
22 with lack of critical data at the program level and concerns about the influence of external, non-program
23 influences. The period of 2000 to 2003 encompassed the 2001 California energy crisis and was
24 generally a period of volatility that affected energy prices and consumption. These conditions

²⁴ Impact Evaluation of the 2005 California Low-Income Energy Efficiency Program, Final Report, dated December 19, 2007, and revised January 10, 2008 (West Hill Energy & Computing, Inc.).

1 contributed to variations in program savings from year to year and concerns about the reliability and
2 consistency of the savings.

3 **2. 2005 LIEE Impact Evaluation**

4 The 2005 Impact Evaluation was designed to estimate first-year gas and electric energy
5 savings at the program and measure levels and by housing type (i.e., multifamily, single-family and
6 mobile homes). Coincident peak demand reductions were also estimated.

7 The primary method for estimating program savings included a statistical analysis of
8 monthly bills for both participants and non-participants. Additional surveys provided sufficient
9 information to calculate alternative estimates of savings for certain measures.

10 The study was conducted in three phases. Phase I took place in 2005 during LIEE
11 program delivery. Data collection and databases were improved, evaluators met with program staff and
12 went on ride-alongs, and the flow rates of showerheads removed from LIEE homes were tested. During
13 Phase II, on- site surveys of program year 2005 participants were conducted. Phase III included billing
14 analysis (pooled, cross-sectional time series analysis), integration of results, and preparation of the
15 report.

16 The 2005 Impact Evaluation identified several characteristics of the LIEE population that
17 helped inform the development of SCE's 2009-2011 programs. The study found that LIEE participants
18 use less electricity and gas than the average residential customer and have less opportunity for electric
19 savings due to the lower penetration of electric space heating, electric water heating and cooling
20 equipment. The study also found that the potential for heating-related savings is low in many LIEE
21 homes. About 1/3 of the on-site survey respondents reported using their heating systems thirty days or
22 less a year across the four climate zones represented in the sample. Another 13% of participants have no
23 heating system or a non-working system. The majority of these homes are located along the southern
24 coast.

3. Impact Results

Table IV-5
Program Year 2005 Total Program Savings

	# of Participants	Annual MWh	Coincident Peak (KW)	Annual Therms
PG&E	61,519	24,678	4,588	1,029,125
SCE	41,397	18,001	2,920	
SDG&E	13,737	4,640	800	154,498
SoCalGas	41,535			711,768
Totals	158,188	47,319	8,309	1,895,391

Measures were found to contribute to total program savings according to two factors: the magnitude of the per-home savings and the number of homes receiving the measure. For example, the per-home savings for lighting measures (CFLs and fixtures) are relatively small (79 kWh), but these measures are installed in almost all homes and in total account for about 16% of the total program savings. Table IV-56 and Table IV-67 provide both the per home and total program savings by measure group, with the measure groups ranked according to the savings per home.

Table IV-6
Program Year 2005 Electric Savings by Measure Group

	# of Households	Savings per home (kWh/yr)	Program Savings (MWh/yr)	% of Program Savings
Refrigerators	48,184	759	36,593	77.7%
Attic Insulation – Heating	175	246	43	0.1%
Hot Water Conservation Package ²⁵	4,061	240	976	2.1%
Cooling Measures ²⁶	5,249	172	903	1.9%
Air Sealing/Envelope	7,506	133	997	2.1%
Lighting	95,391	79	7,558	16.0%
Attic Insulation – Cooling	1,047	23	24	0.1%
Program Totals	111,892	421	47,094	

²⁵ The hot water conservation package includes low flow showerhead(s) and aerator(s), tank wraps and pipe insulation. The actual set of measures installed in each home varies according to the needs of each participant. Showerheads and aerators are the most commonly installed measures.

²⁶ The cooling measures include the installation of evaporative coolers and replacement room air conditioners (A/Cs). Evaporative coolers were installed much more frequently than room A/Cs.

Efficient refrigerators were identified as the largest contributor to the total electric savings. Almost 80% of the electrical energy savings come from refrigerator replacements. On average, each participating household saved 421 kWh and 18 therms per year, and reduced their kW demand by .074. Per household savings rose steadily from 2000 through 2005 due to the increasing installation rates of efficient refrigerators.

Table IV-7
Program Year 2005 Gas Savings by Measure Group

	# of Households	Savings per home (Therms/yr)	Program Savings (Therms/yr)	% of Program Savings
Attic Insulation	4,990	61.5	306,904	14%
Hot Water Repair/Replace	2,327	11.7	27,226	1%
Air Sealing/Envelope	84,531	11.2	950,940	45%
Heating System Repair/Replace	8,351	8.6	71,515	3%
Hot Water Conservation Package ²⁷	92,763	8.2	760,657	36%
Program Totals	107,677	19.7	2,117,242	

The 2005 Impact Evaluation made several suggestions for the LIEE program. These include:

- Focus energy education on actions with higher savings and lower acceptance, such as drawing shades to reduce cooling.
- Improve the quality of the CFLs and ensure their installation to raise retention rates from the 65% found in the on-site survey.
- Provide additional instruction on the appropriate use of evaporative coolers and air conditioning systems.
- Review change in refrigerator replacement protocols.

²⁷ See footnote 25.

- Focus on non-energy benefits (e.g., improvements in health and safety) in the next evaluation.
- Consider adding efficient clothes washers to the program and how to claim savings for reduced water pumping from low flow devices and other water-savings measures.

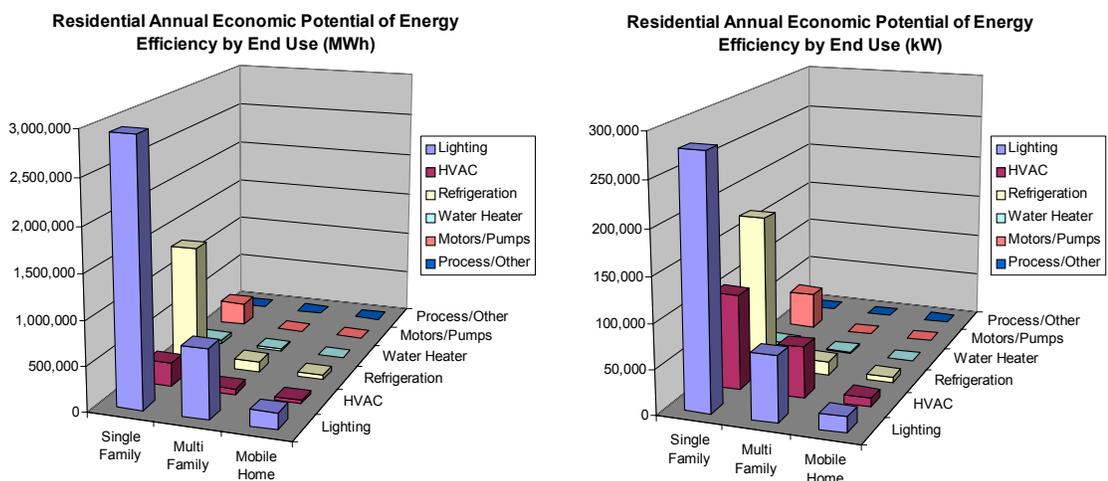
SCE has studied these recommendations and considered them in its 2009-2011 program design.

V.

PROGRAM DESIGN

In addition to reaping the available economic energy efficiency opportunities, SCE's approach to its low-income portfolio includes the modification of consumer behaviors and attitudes towards energy efficiency through outreach, education and reinforcement. The following figures represent the accepted annual economic potential within private dwellings.

Figure V-4²⁸
Electric Economic Potential by End Use and Residential Segment



As evident in Figure V-4, the prominent economic opportunities within private residences lie in the following areas: lighting, refrigeration, HVAC and motors and pumps.

Influence of other Market Forces

In addition to the economic potential of available resources, technologies and approaches, many other market factors have significant influence on delivery of low-income programs. Other contributors of influence include: California’s Big Bold Energy Efficiency Strategies, the CEESP, California’s Energy Action Plan, and building codes and appliance standards. Each of these factors, in addition to state and federal legislative activities, influence the goals, baselines, strategy and composition of the low-income portfolio. The subsequent discussion briefly describes how policy affects SCE’s approach to providing LIEE services and lists several programs within the portfolio that target associated issues.

Big Bold Energy Efficiency Strategies (BBEES)

²⁸ “Economic Potential” refers to the technical potential of those energy conservation measures that are cost-effective when compared to supply-side alternatives. Figure V-4 is based on data extracted from multiple utility-specific MS Excel workbooks that are referenced in appendices G, H, & I of the California Energy Efficiency Potential Study, INTRON, May 24, 2006.

1 California's highest energy priority is to pursue cost-effective energy efficiency measures over
2 both the short- and long-term. The long-term policy goals of the Commission are for energy efficiency
3 to become an integral part of business as usual throughout California.²⁹ SCE's low-income portfolio
4 outlines a comprehensive approach aligned with BBEES. Commission policy requires that all qualified
5 and willing low-income participants be served by all appropriate energy efficiency measures by 2020.
6 SCE proposes to advance the initiatives of the BBEES through rapid growth to prepare program delivery
7 mechanisms of a scale necessary to reach the volume of participants available.

8 **California Energy Efficiency Strategic Plan (CEESP)**

9 California's Integrated Energy Policy Report (IEPR)³⁰ recommends that California set a course
10 to achieve all economic energy efficiency, and several statewide and federal policy actions and
11 legislation mandate limitations or reductions in energy levels. SCE has participated in a statewide LIEE
12 planning process that included all principal stakeholders to optimize the cost-efficiency and energy
13 efficiency benefits of its portfolio. The CEESP outlines the transformation of residential energy use by
14 2020 through new delivery channels and integration of LIEE with other demand-side management
15 programs and practices. More than ever, SCE's comprehensive approach to program delivery has
16 integrated low-income with traditional energy efficiency programs, demand response and the California
17 Solar Initiative (CSI), and will advance the vision of the CEESP without the loss of comfort or
18 equipment efficacy for California consumers.

19 **Energy Action Plan (EAP)**

20 California's 2005 EAP requires a decrease in per capita electricity use through increased energy
21 conservation and efficiency measures.³¹ Policies in California require that energy efficiency receive the
22 first loading order in terms of adding utility resources. Through the application of incentives, education
23 and outreach programs, SCE's LIEE portfolio has contributed to the increased growth and penetration of
24 energy-efficient products into the marketplace, as well as building a supply of qualified and well-trained

²⁹ D.07-10-032, p. 2.

³⁰ *California Energy Commission Integrated Energy Policy Report, 2007.*

³¹ <http://docs.cpuc.ca.gov/published/Report/28715.htm>

1 contractors and suppliers to support new market demands. SCE's energy efficiency portfolio
2 encourages residential users to adopt demand response programs when participating in all its
3 comprehensive energy efficiency programs, and to adopt distributed generation or renewable
4 technologies in new building construction. Through the motivation and creation of market factors, many
5 energy efficiency programs within SCE's LIEE portfolio directly or indirectly address California's EAP.

6 **A. Section Overview**

7 In order to address the diversity and breadth of the residential sector, the low-income portfolio
8 employs a variety of approaches to overcome barriers, tap available economic potential and maximize
9 energy efficiency benefits. The tactical choices commonly employed within LIEE are direct install and
10 outreach campaigns. There are advantages of utilizing each style, and SCE's low-income portfolio has
11 planned the use of particular approaches to maximize the cost efficiency and delivery of each program.

12 As stated in the CEESP, the coordination of demand-side management programs is necessary to
13 increase the penetration of energy efficiency and avoid lost opportunities. Through a tactical approach
14 to customer outreach and marketing, SCE will maximize the possibilities to create awareness and inform
15 and educate consumers about other programs. This approach will create additional energy savings
16 through inter-program referral and data sharing and bundle demand-side management solutions across
17 energy efficiency, demand response, CSI and SCE's Advance Metering Infrastructure (Edison
18 SmartConnect™).

19 **B. Program Delivery**

20 SCE administers the LIEE program in-house and contracts directly with service providers to
21 assess, install, and inspect measures at customers' homes. SCE also contracts directly with a distributor
22 to acquire certain appliances for the LIEE program. Some of the key aspects of how SCE administers
23 the program to maximize value to customers are described below.

24 **Appliances**

25 Historically, SCE has competitively bid the bulk purchase of appliances which guarantees
26 inventory at a competitive, fixed-rate per appliance type. Contractors then order appliances from this
27 supply based on their work assignments and SCE's Energy Management Assistance (EMA)

1 administration team tracks all costs and inventory. This approach also eliminates the financial burden
2 on contractors of purchasing and carrying costs. SCE will continue this strategy of bulk purchasing
3 appliances with the next bid planned during 2009.

4 **Service Delivery**

5 In D.01-05-033, the Commission ordered the IOUs to implement their LIEE programs as a
6 “leveraging vehicle” with community-based organizations (CBOs) who deliver similar services through
7 LIHEAP. D.02-07-033 extended this policy until further notice.

8 SCE’s network of CBOs has participated in SCE’s LIEE program for many years and has
9 demonstrated its ability to provide quality service to the communities it serves. Use of this network
10 places SCE in compliance with state law (AB 1393) whereby the legislature stated its intent to
11 “strengthen the current network of community service providers” by having utilities use service provider
12 entities that have “demonstrated performance in effectively delivering services to the communities.”³²

13 In 1999, through a series of decisions and resolutions, the Commission first pursued a “bid”
14 policy by ordering the IOUs to prepare and submit drafts of Request for Proposals they would use to
15 competitively bid the administration of their programs. After nine days of public hearings, a series of
16 public workshops, and the passage of AB 1393, this process was set aside through the release of D.00-
17 07-020.

18 In D.00-07-020, the Commission noted that state law AB 1393 was silent on the issues of
19 outsourcing services and competitively bidding LIEE programs and so stated that “these implementation
20 considerations are appropriately left to this Commission.” The Commission concluded that there was
21 “insufficient basis for endorsing competitive bidding as the best outsourcing approach for all utilities at
22 this time” and gave the IOUs the flexibility to choose how to outsource program functions, either
23 through bidding or renegotiating existing contracts, or both.

24 The Commission planned to revisit the issue in 2002, but D.01-05-033 suspended consideration
25 of this issue pending further Commission order, stating that “[u]ntil further notice, we suspend the

³² Codified at California Public Utilities Code section 381.5.

1 program year 2002 planning cycle as contemplated in D.00-07-020, including further consideration of
2 pay-for-measured savings pilots and competitive bidding outsourcing.”

3 SCE will continue to negotiate with its existing network of CBOs and private contractors for the
4 delivery of services to its low-income customers during this application cycle. SCE’s service delivery
5 costs continue to be comparable to those of the other IOUs.

6 **1. Program Delivery by Density/Segments**

7 SCE will use a multi-faceted approach to deliver LIEE services to eligible customers.
8 Different service delivery mechanisms will be used to fit the specific population sectors being targeted.
9 CARE customers with high electric bills will be canvassed to determine interest in LIEE. Data
10 exchanges with other IOUs will result in lists of customers being verified as eligible for SCE’s program
11 and partnering with community groups, faith-based organizations and local governments will bring
12 familiarity to customers. In rural or sparsely populated areas, SCE will employ direct mailers along with
13 the Voice Recognition Unit (VRU) to send messages to customers. In densely populated areas,
14 consideration will be given to using a ZIP 7 approach whereby areas with high low-income saturation
15 can be automatically qualified for CFLs and a door-to-door service delivery can take place.

16 **2. Increased Coordination Between Utilities**

17 SCE discusses its coordination between utilities in Section V.F.1 of this Chapter.

18 **3. LIEE Installation Standards and Policy & Procedures Manuals**

19 In 1999, the Commission directed the Joint Utilities to work jointly with the Energy
20 Division staff and DRA (collectively, the “Standardization Team”) to move towards uniform, statewide
21 program designs and implementation of LIEE measures to: 1) ensure that all low-income customers
22 served by the utilities under the jurisdiction of the Commission are offered a consistent set of measures
23 and services, 2) ensure that the provision of the measures and services were done in a non-
24 discriminatory manner, and 3) ensure that contractors providing service under the LIEE program work
25 under consistent rules and expectations. Over the course of several years, the utilities continued to work
26 together to create and update the Statewide Policy and Procedures (P&P) Manual and the LIEE
27 Installation Standards (LIS) Manual (collectively, the “Manuals”).

1 However, the Commission suspended the Standardization Team’s activities, and directed
2 it to not undertake any new activities unless and until authorized to do so.³³ Subsequently, the
3 Commission, in D.06-12-038, recognized the need for an ongoing process for making modifications to
4 the Manuals and directed the utilities to sponsor quarterly public meetings, during which proposed
5 updates and revisions could be presented and deliberated. The Commission also determined that
6 “[p]rocesses for modifying programs would not change: where the utilities have discretion to make
7 changes without Commission authority, these meeting would not change that discretion...”³⁴ Utilities
8 were also directed to work with the Energy Division staff before making any changes for which a
9 controversy may exist by affected communities, or individuals other than LIEE contractors.³⁵

10 The Manuals are essential to the LIEE program because they articulate the program
11 measure standards that are used to train, inform, and evaluate LIEE contractors. Because the utilities’
12 2009-2011 LIEE plans and budgets will propose new program measures and policies, several changes
13 must be made to the Manuals in order to develop policy installation criteria for new program measures,
14 develop standards for any measures that are eliminated from the program, and make updates to the
15 Manuals based on recent Commission decisions. For these reasons, SCE proposes to work with the
16 other IOUs and other interested parties to address program issues and update the Manuals on a statewide
17 level. The IOUs will then present the Manuals publicly and address any public comments before
18 applying them to their respective LIEE programs.

19 **C. Portfolio Composition**

20 For 2009-2011, SCE proposes a balanced and comprehensive series of measures that provide bill
21 savings and comfort to eligible low-income customers. SCE contracts directly with CBOs and private
22 contractors to install electric measures in low-income customer homes. Customer homes are first
23 assessed to determine the eligible measures to be installed by contractors. Eligible measures include,
24 among other things, refrigerators and CFLs to all qualifying customers, (which provide customers and

³³ D.05-12-026, Ordering Paragraph 8.

³⁴ D.06-12-038, p. 22.

³⁵ D.06-12-038, Ordering Paragraph 9.

1 ratepayers with the most cost-effective and bill-saving appliances available), while simultaneously
2 addressing important demand reduction, health, comfort and safety by continuing to replace air
3 conditioners and installing evaporative coolers.

4 SCE's LIEE program will seek peak load savings by identifying and installing those measures
5 where effective savings can be achieved, and developing an energy education component which includes
6 information to help customers understand and manage their peak load consumption. Cooling measures
7 (central air conditioners, heat pumps, room air conditioners and evaporative coolers) offer some of the
8 greatest opportunities for peak load reduction. Periods of maximum peak load on the grid coincide with,
9 and are largely caused by, residents returning home from work and turning on their air conditioners to
10 cool down their homes. Therefore, SCE plans on targeting households in the more extreme climate
11 zones whose eligibility would also include cooling measures. SCE will replace those appliances with
12 more efficient units to have the greatest impact on peak load reduction while offering the greatest
13 reduction in those customer's energy bills.

14 Even though these cooling measures tend to be less cost-effective than other measures such as
15 CFLs and refrigerators, SCE requests authority from the Commission to continue installing cooling
16 measures. In SCE's desert communities, finding relief from the heat is essential to comfort, health, and
17 safety. For SCE's low-income, elderly and disabled customers in these communities, this is a challenge
18 that cannot be taken for granted. Customers in these extreme climate zones are the customers most
19 likely to have the highest energy burden due to the large portion of their bills attributable to operating air
20 conditioning. Cooling measures are by far the most effective tool SCE has to reduce these customers'
21 energy burdens.

22 However, focusing solely on replacing cooling measures for the highest energy users in extreme
23 climate zones would drastically increase the average cost per home treated, thereby reducing the overall
24 cost-effectiveness of the program. To balance this highly effective but costly approach, SCE plans to
25 simultaneously target customers in moderate climate zones where the households are not eligible for
26 cooling measures, and offer those households the most cost-effective measures: lighting (e.g., CFLs,
27 porch lights and torchieres) and refrigerators.

1 Home audits offered through SCE's Energy Efficiency Programs point to a variety of ways for
2 consumers to not only save money on monthly bills, but to increase their comfort, health and safety
3 through a variety of measures, equipment exchanges and services.

4 **2009-2011 Measures**

5 Room Air-Conditioner Replacement - SCE helps low-income customers control summer energy
6 costs by offering new energy-efficient room air-conditioners. Installations are targeted at customers who
7 reside in eligible climate zones (10, 13, 14, and 15) where temperatures regularly exceed 100°F. The
8 property owner for renter-occupied units will be required to make a \$50 co-payment. SCE bulk
9 purchases the air conditioners directly from the manufacturer and has the units shipped directly to
10 service providers who deliver program services to customers. SCE projects that it will install
11 approximately 850 window/wall air-conditioners annually, between 2009 and 2011.

12 Central Air-Conditioner Replacement - SCE helps low-income customers control summer energy
13 costs by offering new energy-efficient central air-conditioners. Installations are targeted at eligible
14 customers whose existing central air-conditioner has a SEER rating of 10.0 or below or an age of 10
15 years or older, and reside in climate zones 13, 14 and 15. SCE will continue to offer central air-
16 conditioners to renters in all eligible climate zones. The property owner for renter-occupied units will
17 be required to make a \$500 co-payment. SCE bulk purchases the air-conditioners directly from the
18 manufacturer and has inventory shipped directly to service providers who deliver program services to
19 customers. SCE projects that it will install approximately 4,000 central air-conditioners annually
20 between 2009 and 2011.

21 Evaporative Cooler Installation - SCE helps low-income customers control summer energy use
22 and costs by offering an evaporative cooler to use as an alternative to their existing air-conditioners that
23 consume more energy than evaporative coolers. Installations are targeted at eligible customers who
24 reside in hot climate zones (10, 13, 14, 15, and 16) where coolers are most effective. The property
25 owner for renter-occupied units will be required to make a \$75 co-payment. SCE bulk purchases the
26 evaporative coolers directly from the manufacturer and has the units shipped directly to service

1 providers who deliver program services to customers. SCE projects that it will install approximately
2 8,000 evaporative coolers annually between 2009 and 2011.

3 Refrigerator Replacement - In 2009-2011, SCE will continue to replace older inefficient
4 refrigerators with high-efficiency units. SCE also recycles the used refrigerators and recycles or
5 disposes of hazardous materials in accordance with federal and state standards. To minimize costs,
6 refrigerators are purchased in bulk from the manufacturer and inventory is shipped directly to service
7 providers who deliver program services to customers. SCE projects that it will install approximately
8 20,000 refrigerators annually between 2009 and 2011.

9 Relamping and Porch Light Fixture Replacement - SCE continues to offer the replacement of
10 inefficient incandescent light bulbs with energy-efficient CFLs for indoor and outdoor lighting purposes.
11 In cases where the CFL will not fit an existing outdoor fixture, SCE will replace the entire fixture with a
12 new fixture and CFL. SCE bulk purchases CFLs from the manufacturer and inventory is shipped
13 directly to service providers who deliver program services to customers. SCE projects that it will
14 deliver approximately 338,000 CFLs and 940 porch light fixtures annually between 2009 and 2011.

15 Weatherization - Weatherization measures are offered to SCE customers who have 1)
16 permanently installed electric space heating, or 2) use an electric portable heater as their primary heat
17 source because there is no other fuel source for heating in the home. Because of the limited number of
18 low-income customers residing in electric heated homes, weatherization is not a major measure for
19 installation in SCE customer homes. Weatherization services include, but are not limited to, weather-
20 stripping/caulking, low-flow showerheads, electric water heater blankets, and minor home repair. SCE
21 projects that it will weatherize approximately 1,375 homes between 2009 and 2011.

22 Energy Education - SCE offers energy education to all low-income customers participating in
23 SCE's EMA Program. At the core of SCE's education efforts in 2009-2011 is the implementation of a
24 new model for comprehensive customer education. It is built on a customer-driven learning approach
25 where the household is engaged in determining the level of energy efficiency action to be undertaken.
26 SCE will employ a module that provides innovative education and communication materials coupled
27 with a basic, initial kit of CFLs and behavioral suggestions. All are linked to dollar savings and easy to

1 use for any home. Participants identify their savings target, choose which actions and measures they
2 wish to adopt and utilize program resources to meet their savings target. Setting energy savings goals is
3 made easy for customers by offering opportunities to enroll in direct install or demand response
4 programs or by simply implementing energy efficiency practices. SCE's educational approach is
5 designed to:

- 6 • Provide a customized customer-directed, hands-on educational program;
- 7 • Reinforce existing agency-customer relationships;
- 8 • Provide basic yet immediate relief from energy burdens;
- 9 • Help create a culture of energy efficiency in the low-income community;
- 10 • Provide a low-cost means to reach substantially more customers; and
- 11 • Empower participant to take control of their bills.

12 Educational benefits are ongoing. From the initial set of measures and behaviors presented in the
13 kit, motivated customers can go further by having an assessment of their home for eligible measures
14 under SCE's EMA program. Going further, follow-up mailings to participants provide reminders of
15 energy saving behaviors and help establish a new energy conscious culture. SCE projects that it will
16 provide approximately 75,000 homes annually with energy education services from 2009 through 2011.

17 Heat Pump Installation and Replacement – D.06-12-038 authorized the installation and
18 replacement of heat pumps to ensure that customers with electric heating sources receive all heating and
19 cooling services offered under the LIEE program that customers with dual-fuel HVAC units receive.
20 SCE will continue to offer the installation or replacement of heat pumps to help low-income customers
21 control their energy costs. The property owner for renter-occupied units will be required to make a \$50
22 co-payment for room heat pumps and a \$500 co-payment for central heat pumps. SCE will replace:

- 23 • Inefficient heat pumps with new, energy-efficient heat pumps; and
- 24 • Inefficient central electric heat sources (i.e., embedded cable radiant heating systems)
25 with new, energy-efficient heat pumps.

26 SCE projects that it will install or replace, as appropriate, approximately 100 heat pumps
27 annually between 2009 and 2011.

1 Central Air-Conditioner Maintenance - Low-income customers cannot easily commit their
2 limited resources to pay for professional maintenance services. SCE helps low-income customers who
3 have previously received a central air-conditioner from SCE, control summer energy costs by providing
4 standard maintenance, which includes checking and charging the central air-conditioners, and duct-
5 maintenance services, to ensure that the unit is operating at peak efficiency throughout the unit's
6 expected life span. SCE projects that it will service approximately 1,500 central air-conditioners
7 annually between 2009 and 2011.

8 Evaporative Cooler Maintenance - SCE proposes to offer customers evaporative cooler
9 maintenance to keep evaporative coolers operating at peak efficiency and to ensure continued operation
10 throughout the unit's expected life span. SCE projects that it will service approximately 2,000
11 evaporative coolers annually between 2009 and 2011.

12 ENERGY STAR®-qualified Torchiere Replacement - SCE helps low-income customers control
13 their energy costs by replacing inefficient lighting using standard incandescent or halogen light bulbs
14 with ENERGY STAR®-qualified torchieres. ENERGY STAR®-qualified torchieres provide the
15 highest levels of energy efficiency and offer a safe alternative to typical halogen torchieres, which can
16 operate at extremely high temperatures and can pose a significant fire hazard. SCE projects that it will
17 install approximately 2,475 ENERGY STAR®-qualified torchieres annually between 2009 and 2011.

18 Energy-Efficient Pool Pumps - SCE helps low-income customers control their energy bills by
19 replacing inefficient pool pumps with new, energy-efficient pool pumps. For those residences that have
20 swimming pools, the pool pump is typically responsible for as much as 30% of a customer's monthly
21 bill. In addition, pool pumps run year-round and are usually in operation during peak hours. SCE
22 estimates that approximately 32,000 low-income customers reside in homes with swimming pools
23 within SCE's service territory. Pool pump replacement can provide additional bill savings for customers
24 whose limited resources may already be strained. SCE projects that it can replace approximately 1,200
25 pool pumps annually between 2009 and 2011.

26 LIEE Services to Catalina Island Gas Customers - SCE provides gas service through its
27 distribution system of propane/butane to customers on Catalina Island. D.06-12-038 authorized SCE to

1 use LIEE funds to install gas measures in homes occupied by low-income customers on Catalina Island.
2 Since receiving this authorization, SCE's contractors have treated 55 households on Catalina Island.
3 Because gas customers do not have a public goods charge for financing gas efficiency improvements
4 and to ensure that customers receive all measures offered under the LIEE program including gas-related
5 measures. SCE proposes to continue offering all LIEE services to its customers on Catalina Island.
6 SCE estimates that several hundred households on Catalina Island are eligible for LIEE services.

7 **1. Assembly Bill 1109**

8 Assembly Bill 1109³⁶ was signed by the Governor on October 12, 2007. It requires that
9 general-purpose lights meet specific standards for hazardous materials (particularly mercury) and that
10 the California Integrated Waste Management Board, together with the Department of Toxic Substance
11 Control, convene a task force of industry, government and interest group stakeholders to make
12 recommendations on proper collection and recycling of general purpose lights, as well as methods to
13 educate consumers on this issue. These recommendations are to be delivered to the legislature by
14 September 1, 2008. Additionally, the bill requires that the California Energy Commission (CEC) adopt
15 regulations (in combination with other programs and activities affecting lighting use) that will reduce the
16 average indoor residential lighting consumption by 50% relative to 2007 levels. These reduced lighting
17 energy use reduction targets will have to be met by 2018.

18 To help meet the requirements of AB 1109, the CEC is considering early adoption of the
19 Federal Energy Independence and Security Act of 2007 (EISA 2007) for general purpose lighting. The
20 federal standards may lead to the replacement of standard incandescent 100- watt bulbs on January 1,
21 2012, 75-watt bulbs on January 1, 2013 and 40-watt and 60-watt bulbs on January 1, 2014 with more
22 efficient lighting sources. However, since incandescent lights will be available through 2011, SCE does
23 not believe AB 1109 will affect the 2009-2011 program.

24 SCE proposes to continue distribution and promotion of standard CFLs through the 2009-
25 2011 application period for a number of reasons. CFLs are a proven energy-efficient light source using

³⁶ The California Lighting Efficiency and Toxics Reduction Act, Chaptered October 12, 2007.

1 75% less energy than conventional incandescent light bulbs with equivalent lumen output and lasting up
2 to ten times longer. With respect to traditional CFL products, technology has enabled the incorporation
3 of even safer, longer-lived and more efficacious lighting.

4 Continued delivery and installation of CFLs is an effective way of increasing the use of
5 CFL technology in low-income communities while achieving significant electric energy savings. In
6 addition, promotion of CFLs will enhance public awareness of this new technology and help ease the
7 transition when incandescent bulbs are no longer available. The offering of CFLs will continue to bring
8 into customer homes a technology that will also enhance public awareness of new, “green” technologies
9 and the beneficial impact these technologies have on the environment and energy bills.

10 Additionally, while it is unclear when the Legislature will adopt policies that promote the
11 safe disposal of CFLs, SCE in 2009-2011 will inform LIEE customers about the proper disposal of
12 CFLs throughout many disposal sites across Southern California and will continue to include
13 information on disposal in its home energy education program and other CFL promotions. Any further
14 direction on proper disposal resulting from the legislation will be incorporated.

15 **2. Ten-Year Rule**

16 In order to provide services to the widest range of low-income households possible, the
17 2006 LIEE P&P Manual, dated October 25, 2005, restricts the utilities from returning to the homes of
18 customers that have previously been treated under the LIEE program. D.07-12-051 directs the utilities
19 to “[e]liminate or modify the ten-year go back rule to permit installations of new measures and
20 technologies in all households while avoiding duplicative installations.” The Joint Utilities propose to
21 modify “Section 2.8 Previous Participation” of the 2006 LIEE P&P Manual to include the following
22 exceptions:

- 23 • New cost-effective measures or technologies that were not previously available in the
24 LIEE program at the time the utility treated a home shall be made available for those
25 qualifying customers; and

- In the event a key program eligibility requirement now makes a customer eligible for measures previously not offered at the time the utility treated the home, the utility shall make available those cost-effective measures for qualified customers.

This language gives the Joint Utilities full flexibility to return to homes that have been treated in the past and provide these homes with cost-effective measures that were either not available at the time the home was treated, or were not offered due to a condition that has now changed.

D. Marketing, Education and Outreach (ME&O)

D.07-10-032 emphasized the need for improved ME&O for energy efficiency, stating “[w]e favor a coordinated ME&O effort across utility territories and consumer demand side options. Increased coordination will optimize the development and delivery of energy efficiency messages that inform consumers and motivate energy-saving activity. Such efforts can reduce costs while increasing the impact of energy efficiency measures, information and offerings.”³⁷

ME&O efforts are at the center of SCE’s plan to offer LIEE, CARE, and Family Electric Rate Assistance (FERA) to every eligible customer in SCE’s service territory. SCE will use a coordinated, integrated and leveraged approach to supplement targeted ME&O efforts. Working with residential energy efficiency, demand-side management, and other utility programs, SCE will coordinate related ME&O efforts including LIEE/CARE/FERA information in program collateral material. (*See* Section V.E. of this Chapter)

SCE will also seek to leverage the unique roles that local governments, CBOs and other partners can play in leading the way to reaching every low-income customer with information on SCE’s low-income programs. These entities have a vision for sustainability and a desire to provide leadership to their communities. SCE will partner with these entities to market LIEE/CARE/FERA. (*See* Section V.E.10 of this Chapter).

SCE understands the importance and need for cost-effective, comprehensive energy education. SCE and SoCalGas are evaluating a comprehensive, high-quality, in-home education kit that addresses

³⁷ D.07-10-032, pp. 61-62.

1 the importance of saving energy and natural resources. The model will be built on a customer-driven
2 learning approach, where the participants determine which and how many actions they undertake, with
3 each action linked to dollar savings. Each kit will include a unique identification number, and the
4 results can be individually tracked by the identification number.

5 Customers will be motivated to participate in the LIEE program once they experience the success
6 and simplicity of the kit-provided actions. The kit will be designed to accommodate various marketing
7 and outreach delivery methods, such as door-to-door, workshops, and direct mail.

8 SCE will continue to leverage and utilize its partnerships with CBOs, manufacturers, and other
9 stakeholders to deliver LIEE services to low-income customers. If necessary, SCE will expand upon
10 this existing network to ensure that the LIEE program achieves the Commission's Programmatic
11 Initiative.

12 SCE will achieve its LIEE market penetration objectives by coordinating various marketing and
13 outreach methods. These methods include, but are not limited to:

- 14 • **CARE lists** – SCE will continue to target customers enrolled in CARE who have not
15 previously participated in the LIEE Program. Using existing data, such as household count
16 and monthly usage amount, SCE will focus its targeting efforts on those with the highest
17 energy burden.
- 18 • **ZIP7 (ZIP code plus sector)** – SCE will use small area demographic estimates, consistent
19 with those used by IOUs and the Commission, to analyze LIEE and CARE eligibility and
20 penetration to identify areas with large concentrations of low-income households. SCE will
21 partner with CBOs in household-to-household outreach approach in neighborhoods that have
22 been selected according to demographic research and census targeting. Customers living
23 within the identified boundaries will automatically qualify for in-home energy education and
24 CFLs.
- 25 • **Mobile Energy Units** – SCE will collaborate with CBOs to design and employ two Mobile
26 Energy Units (MEU) to promote the LIEE program, energy efficiency solutions, and energy
27 management practices. These MEUs are modeled after SCE's larger energy efficiency

1 vehicles, and will be available for special outreach events throughout the entire service
2 territory, and will reach low-income customers in remote and diverse areas.

- 3 • **Direct mailers** – Through a focused marketing effort, SCE will target those low-income
4 communities that can benefit most from the LIEE program. Historically, SCE’s direct
5 mailers have proven to be successful and account for the majority of the leads created
6 through SCE’s energy-efficiency phone center.
- 7 • **Media/Press releases** – SCE will synchronize different marketing campaigns, such as
8 newspaper and radio ads and press releases, to make customers aware of the program, and
9 validate that authorized service providers are making a legitimate offer supported by SCE
10 and the Commission.
- 11 • **Partner with Community, Local, and Faith-Based Organizations** – SCE will continue to
12 leverage and expand its partnerships with local organizations that serve low-income
13 communities. SCE will seek to include organizations representing seniors, persons with
14 disabilities, mobile home and apartment associations and other groups with ties to potentially
15 eligible customers. These organizations have built-in, existing networks, which have gained
16 the experience and trust of many local customers within the communities in which they
17 operate. This experience and trust allows SCE to improve access to customers in order to
18 increase awareness of the LIEE program and practices.
- 19 • **Overlapping IOUs** – Through a coordinated effort with SoCalGas, SCE will continue to
20 leverage the outreach of customers in the areas jointly served by SCE and SoCalGas. To
21 ensure customers receive all feasible electric and gas measures, service providers that offer
22 outreach and assessment services in the joint territory will have a contract with SCE and
23 SoCalGas to enroll qualifying customers in each utility’s LIEE program during the initial
24 visit. SCE will also evaluate SoCalGas’ comprehensive audit tool, to determine if it is
25 feasible to implement a portion or the entire tool into the SCE program. In addition, SCE
26 will work with SoCalGas and other overlapping utilities to develop co-branded marketing
27 campaigns. This will increase customers’ awareness of the LIEE program and will ensure

1 that customers who reside in overlapping service territories are fully aware of all LIEE
2 program services and benefits.

- 3 • **Data sharing** – SCE will continuously seek opportunities to leverage existing customer data
4 with other programs and organizations to assure that all low-income customers who are
5 willing to participate receive all eligible services offered through the various programs by the
6 utilities and other organizations. With prior approval, previous participants of such programs
7 will be contacted and offered LIEE program services.
- 8 • **Energy Management Assistance Partnership System (EMAPS)** – SCE’s web-based
9 program database includes a customer canvassing tool that allows an outreach contractor to
10 prepare customer canvassing lists. This tool offers basic street address information for
11 customers who have not previously participated in the LIEE program. The goal of the
12 contractor is to create lists that can be used by outreach workers to employ a door-to-door
13 approach to qualify customers for the LIEE program
- 14 • **Door Hangers** – Canvassing teams will carry door hangers that will be left at customers’
15 homes that will include information on the LIEE program, agency and canvasser, as well as
16 SCE and contractor’s contact information.
- 17 • **Fact Sheets/Brochures** – SCE will develop fact sheets/brochures in multiple languages and
18 in large print for visually-impaired customers to further educate customers about the LIEE
19 program, including how to enroll in the program. These materials will be distributed to
20 local/participating retail outlets, clinics, community centers, libraries, etc., where local
21 residents congregate.
- 22 • **Website** – SCE will continue to promote its website, which includes the option for large font
23 for visually impaired customers and offers program information and the ability to enroll in
24 the LIEE program. Customers who enroll through SCE’s website will be referred to a
25 qualified LIEE program service provider to income-qualify the customer and assess the home
26 for all feasible measures.

1 SCE will assess each outreach tactic to evaluate the successes and shortcomings of the program
2 strategy. Early feedback from service providers and customers on program operation will be important
3 to SCE, so that program staff can quickly undertake any needed modifications or corrective actions. A
4 process evaluation (*see* Attachment A-10) will address effectiveness and efficiency of the program
5 delivery strategy. SCE will design process evaluation activities to provide such feedback. The process
6 evaluation will gather data on individual service provider performance, the training of the field staff, the
7 outreach/marketing activities, educational materials, customer satisfaction with the service provider
8 personnel, and program services. SCE anticipates ride-alongs, customer follow-up surveys, and
9 interviews with providers and SCE program staff. These issues are important to the process and quality
10 control aspects of the program.

11 **1. Single Statewide Marketing Campaign**

12 In D.07-10-032, the Commission directed that the CEESP “provide details about how
13 education, marketing and outreach activities will be used to promote energy efficiency programs in an
14 integrated and coordinated fashion, as set forth herein.”³⁸ The decision also seeks to consider the
15 development of a statewide brand for California energy efficiency products and services.

16 The Commission expanded on this direction in D.07-12-051 for the LIEE program, and
17 directed the utilities to develop a tagline that can be used with the program names currently used by the
18 utilities.³⁹ The tagline was discussed and suggestions were offered at the LIEE Strategic Planning
19 Workshops held January 8, 2008 and April 3, 2008. No consensus was reached at either of these
20 meetings on a tagline for the program. The utilities have identified the development and use of a
21 recognizable and trustworthy brand for LIEE as a near-term strategy in the CEESP.

22 In an effort to maximize the exposure that the LIEE program would receive through an
23 integrated statewide marketing campaign for demand-side programs, the utilities have determined that it

³⁸ D.07-10-032, Conclusions of Law 13 and 14, Ordering Paragraph 8.

³⁹ D.07-12-051, pp. 46-47, “The workshop(s) should develop a brand name for the LIEE program that all utilities will use as a tag line that each utility would add to its own LIEE program name.”

1 may be preferable to develop a new, statewide program name in lieu of a tagline that would replace the
2 names currently used by each of the Joint Utilities for their respective LIEE programs.

3 The new program name would be used in all customer communications, including
4 advertising, collateral, and website. The name will help reach low-income customers with interest in
5 lowering energy bills and increasing home comfort. In developing a new program name, consideration
6 would be given to how it translates in other languages.

7 The Joint Utilities intend to contract with an advertising agency to test concepts in the
8 respective utility service areas, using focus groups, mall intercepts, and online communications. The
9 Joint Utilities expect to present a recommendation to the Commission by July 14, 2008. Implementation
10 of the new statewide program name will facilitate the integration and visibility of the LIEE program into
11 the statewide marketing campaign that is under development, pursuant to D.07-10-032.

12 SCE seeks Commission authorization to revise the directive in D.07-12-051 to allow for
13 the development of a statewide LIEE program name and seeks approval of the program name, which
14 will be submitted to the Commission by July 14, 2008.

15 **2. ME&O by Population/Segments**

16 SCE will continue to allow home assessment agencies under contract with SCE to
17 outreach and generate their own leads to maximize efficiencies. For example, when a home assessment
18 agency is following up on an SCE lead for a specific address, the outreach worker may have the
19 flexibility to outreach to other customers in the same area.

20 In parallel with that proven approach, SCE plans on targeting specific population
21 segments as follows:

- 22 • High-usage (Tier 4/5) CARE customers in all climate zones as follows:
 - 23 ○ All responding customers in this group will receive a kit with CFLs and
 - 24 energy education materials;
 - 25 ○ Responding customers in both moderate and extreme climate zones will be
 - 26 given the opportunity to enroll and be assessed for additional eligible
 - 27 measures unless they opt not to participate.

- As a further refinement to the targeting of high-use CARE customers, SCE plans on test-targeting high-use CARE customers who also have a low household income for their given household size. This approach is enabled by the fact that, beginning in April 2006, SCE began capturing in its CARE database the household income and number of people living in the household from CARE applications and recertifications, rather than just the eligible/ineligible result that was previously recorded for each application and recertification. This refined targeting approach will effectively identify those customers with the lowest per-person income and the highest bills, which in combination identifies those with the highest energy burden as defined in the KEMA Report: “Energy burden was defined as the portion of total household income that goes toward paying utility bills.”⁴⁰
- To supplement those CARE-based targeting approaches, SCE plans on outreaching to households served by the DM and DMS rates. DM households, by definition are neither individually- nor sub-metered, and are not eligible for any CARE rate. Given the high probability that all households served by the DM rate are renter-occupied, and that renters are more likely to income qualify for LIEE than are owners, households served by the DM rate are more likely to income qualify for LIEE. DMS households are on a master meter account, however each household is served by a submeter owned by the master meter account holder. DMS households are most commonly found in mobile home parks where housing is less expensive and where seniors and low-income households can find housing at a reasonable cost. Experience has shown DMS customers to be a good segment to target for low-income programs.
- Households in SCE’s territory in which the head of household is unable to work because of disability are 1.6 times more likely to income qualify for LIEE than

⁴⁰ KEMA Final Report on Phase 2 Low-Income Needs Assessment, p. 3-27.

1 households in which the head of household is not prevented from working due to
2 disability. While SCE does not have data identifying who these specific customers
3 are, SCE does track which customers are enrolled on Medical Baseline, described
4 elsewhere in this Testimony. The Medical Baseline program is described in Section
5 V.E. of this Chapter. SCE will use the Medical Baseline program account attribute to
6 target LIEE outreach efforts toward the disabled.

- 7 • KEMA also identified customers with the highest energy insecurity (i.e., difficulty in
8 keeping up with energy payments)⁴¹ as being the most likely customers willing to
9 participate in LIEE.⁴² Accordingly, SCE will design and implement outreach efforts
10 to target customers who have had recent and/or frequent credit events (e.g., late
11 payments, payment plans and disconnect warnings).

12 **3. Workforce Education And Training (WE&T)**

13 SCE's contractors, particularly CBOs, are situated in low-income and disadvantaged
14 communities and provide jobs within these communities. The CEESP has identified the need to assure a
15 trained workforce to meet the Commission's Programmatic Initiative. SCE is working directly to
16 provide expanded training to its contractors and to participate in statewide efforts to ensure a well-
17 trained workforce capable of meeting the expanded demand for trained workers in green job related
18 industries.

19 SCE's EMA program has provided training to contractors, CBOs and vendors working in
20 the program. This has included training related to the policies and procedures for home assessment,
21 service delivery, inspections, and in 2007, training workshops were conducted in the use of EMAPS, the
22 Web-based database used to process and track program activity.

23 Certification is required for each component of the program to ensure that contractor and
24 vendor personnel satisfy the requirements for each program component prior to conducting work for the

⁴¹ KEMA Final Report on Phase 2 Low-Income Needs Assessment, p. 5-1.

⁴² KEMA Final Report on Phase 2 Low-Income Needs Assessment, p. 7-11.

1 EMA program. Furthermore, each contractor employee is tracked to ensure that they only perform work
2 for the EMA program for which they have been trained and certified. As appropriate, SCE staff
3 conducts needs assessments in order to develop coaching paths and monitor improvements. Although
4 training activities typically take place at SCE facilities, SCE staff also conducts training workshops at
5 contractor locations in order to facilitate attendance. This fosters a more cooperative and productive
6 relationship between SCE and contractors working in the EMA program.

7 As an all-electric utility, SCE shares the majority of its service territory with SoCalGas.
8 In order to enhance the collaboration between the two utilities, SCE will coordinate with SoCalGas to
9 ensure that the training curriculum between the two utilities is aligned wherever possible. In addition,
10 SCE will coordinate the scheduling of its workshops to ensure that trainees who have completed the
11 SoCalGas training can attend SCE's training workshops shortly thereafter. This will allow for trainees
12 to receive complete instruction related to both utilities' respective policies, procedures and offerings,
13 which will make it easier for qualifying customers to receive all the services for which they are eligible.

14 In 2009, the training curriculum will be expanded to include additional technical training,
15 pertaining specifically to the appliances bulk-purchased by SCE for installers working in the program.
16 This training will expand the knowledge base and skills of each installer, and will make it easier for the
17 installers to make repairs as necessary for warranty-related issues.

18 During the 2009 program year, SCE will expand its current training curriculum to include
19 computer-based training for its existing network of private contractors and CBOs as part of its efforts
20 related to the WE&T Initiative. This training will include, but may not be limited to, basic computer
21 skills, Microsoft Word, Excel and PowerPoint.

22 Additionally, as part of the WE&T strategic planning activities, the IOUs will have an
23 LIEE delegate on the WE&T Task Force to ensure that workforce development efforts are being
24 coordinated to include the Commission's objectives of including low-income, minority and
25 disadvantaged communities in the overall workforce development initiatives.

26 The Joint Utilities will seek to ensure that the WE&T Needs Assessment defines and
27 develops LIEE job descriptions and a training roadmap so that trained workers within low-income

1 communities are available to deliver LIEE services. SCE, as an active participant of the WE&T Task
2 Force, will work to ensure that stakeholders are aware of green job funding and training opportunities.
3 SCE's contractors believe they can hire the workers they need through the initial three-year period of the
4 Programmatic Initiative. If the WE&T Needs Assessment, scheduled for completion in 2009, indicates
5 gaps in training that can not wait until 2012, SCE will work with the Commission on an accelerated
6 basis to seek funding for specific partnerships that can fill the identified gaps.

7 **E. Integration with Energy Efficiency**

8 The Commission has directed SCE to present in this Application ways to integrate the 2009-2011
9 LIEE programs with other demand-side and energy efficiency programs. SCE is pursuing a number of
10 strategies that will significantly leverage the presence of SCE's demand-side portfolio, especially energy
11 efficiency programs and customer assistance programs. The goal is to create greater awareness of the
12 LIEE, CARE, and FERA programs and provide additional benefits and greater participation by low-
13 income customers in these complementary programs.

14 In accordance with CEESP, SCE's income-qualified programs advance comprehensive energy
15 efficiency measures including whole house solutions, raising plug load efficiency, raising performance
16 standards, leveraging local government opportunities and demand-side management integration.
17 Through increased coordination among programs, SCE will reach a broader residential market
18 containing low-income segments while reducing costs, and will be using energy efficiency and demand-
19 side management-specific messages to create a bridge to low-income programs.

20 SCE has developed a cross-cutting approach to integrate and leverage low-income programs into
21 energy efficiency and demand-side management programs. This approach will create additional energy
22 savings by leveraging integration opportunities through inter-program referral and data sharing, and the
23 bundling of demand-side management solutions across energy efficiency, demand response, CSI, SCE's
24 Advanced Metering Infrastructure and other efforts. Further, this cross-cutting approach will allow SCE
25 to take advantage of the broader "residential customer" messaging being communicated service area
26 wide.

27 SCE describes these new leveraging opportunities below:

1 **1. Home Energy Efficiency Rebates (HEER)**

2 The HEER program encourages residential customers to make an energy-efficient choice
3 when purchasing and installing household appliances and equipment through the use of education
4 materials and rebate or incentive payments. SCE seeks to integrate its LIEE programs with HEER by
5 including information and marketing material about SCE's LIEE, CARE, and FERA programs in the
6 HEER materials, where appropriate.

7 SCE's integration strategy is designed to ensure that potentially eligible low-income
8 residential customers are aware of the availability of free energy-efficiency services and appliances
9 through LIEE prior to spending their limited income on similar services or appliances. In turn, SCE
10 seeks to make all low-income customers aware of rebates available for those appliances not offered
11 through LIEE.

12 **2. Multifamily Energy Efficiency Rebate Program (MFEER)**

13 The MFEER program is designed specifically to motivate multifamily property
14 owners/managers to install energy-efficient products. With product offerings suitable for the
15 multifamily complex and incentive levels that help alleviate the split incentive, the MFEER is
16 effectively designed to drive this customer segment toward participation in energy efficiency.

17 SCE seeks to integrate the LIEE and MFEER programs. Where a measure is not offered
18 through LIEE (either at no cost or with an incentive through the form of a small co-payment⁴³ which
19 provides a greater incentive to the customer than what is provided through MFEER) the customer will
20 be provided information on the availability of incentives through MFEER for installation of those
21 measures. This will provide property owners increased incentives for installing energy-efficient
22 measures in qualified low-income tenant units while providing energy efficiency services and appliances
23 at no cost to these same qualified tenants. Additionally, as part of the MFEER program, property
24 owners, managers and low-income tenants will be provided with information and marketing material on
25 SCE's LIEE, CARE, and FERA programs.

⁴³ See Section V.C. of this Chapter.

1 **3. California New Homes Program**

2 The California New Homes Program (CANHP) is designed to encourage single and
3 multi-family builders, of all production volumes, to construct homes that exceed California’s Title 24
4 energy efficiency standards by a minimum of 10%. This goal will be achieved through a combination of
5 incentives, technical education, design assistance, and verification. CANHP supports the ambitious
6 goals of the CEESP: (1) 100% of residential new construction will be at net zero by 2020, and (2) 50%
7 of residential new construction will meet Tier II standards of the New Solar Homes Program by 2011.

8 SCE will integrate and leverage LIEE into CANHP resulting in increased housing
9 opportunities for LIEE/CARE eligible customers, increased efficiency of appliances installed in low-
10 income designated units and increased overall efficiency of new housing construction. SCE will target
11 builders involved in construction projects subject to state-mandated housing goals and/or housing
12 elements of local city and county strategic plans. These projects often have negotiated a “set-aside” of a
13 certain number of units for various income classifications to meet low- and moderate-income housing
14 goals.

15 For those units designated by the builder for low-income occupants, LIEE will pay the
16 full incremental cost of installing higher-efficiency equipment, such as 16.0 SEER HVAC systems and
17 refrigerators. Without the incentive, builders are less inclined to increase the energy efficiency of any
18 new housing units. CANHP will pay the standard calculated incentives for all other measures currently
19 not offered through LIEE that are installed in units designated for low-income occupants.

20 Eligibility for housing in affordable housing projects is based on household size and
21 income and must fall within guidelines set by the U.S. Department of Housing and Urban Development
22 (HUD) based on the federal Area Median Income estimates of the county for each state. These
23 guidelines are updated each fiscal year. Incremental payments to builders for installed electric
24 appliances will only be approved for housing units designated for occupancy by LIEE income-eligible
25 SCE customers. To ensure eligibility, builders will be required to:

- 26 • Designate homes receiving LIEE appliances for occupancy by LIEE-eligible
27 households; and

- Restrict occupancy to families whose income is at the 30% (Extremely-Low) or 50% (Very-Low) level established by HUD. These levels are below LIEE guidelines.

In effect, this collaboration will provide benefits to developers and low-income occupants by encouraging the development of more below-market-rate low-income units by developers, increase participation in CANHP based on the combined higher incentives, and increase the overall energy efficiency of affordable housing projects.

LIEE measures are typically installed quickly after a home has been assessed for services. CANHP will commit funds for housing units that may not be constructed for several years after the commitment. SCE is requesting authorization to allow funds committed through CANHP to be reserved, as necessary, into the next program cycle beginning in 2012..

4. Comprehensive Mobile Home Program (CMHP)

The residential CMHP provides energy efficiency incentive equipment and services at no cost to the customer. The program's intent is to install energy-efficient products in the mobile home and common areas of the mobile home parks. The program seeks to enhance customer energy efficiency knowledge and program participation within this market segment. CMHP provides HVAC Diagnostic and Tune-Up, Duct Sealing, Exterior/Interior Hardwired Fluorescent Fixtures, and CFLs.

The CMHP offers a unique opportunity to leverage energy efficiency funds with LIEE funds in order to increase the energy efficiency of low-income mobile homes. While tenants and owners of mobile homes are being serviced under CMHP, potentially eligible residents will be provided information and marketing material on SCE's LIEE, CARE, and FERA programs.

SCE's integration strategy is to offer and install eligible LIEE measures to CMHP income-qualified customers that are not offered under CMHP. These measures include energy-efficient refrigerators, room air conditioners, evaporative coolers, central air conditioners, weatherization services and other energy-efficient measures.

5. Home Energy Efficiency Survey (HEES)

The 2009-2011 HEES program is the primary residential energy efficiency marketing tool for outreaching to customers. The program is delivered in five languages (English, Spanish,

1 Chinese, Vietnamese, and Korean) and through four delivery channels (mail-in, on-line, in-home and
2 phone surveys). This multi-faceted approach enhances the program’s ability to reach Southern
3 California’s diverse culture. One of the aims of the HEES program is to provide “no cost” and “low
4 cost” energy savings recommendations to gain participation of customers who are otherwise unwilling
5 to make energy efficiency investments.

6 SCE will use a cross-cutting approach for coordinating HEES with SCE’s low-income
7 assistance programs by providing information and marketing material about SCE's LIEE, CARE, and
8 FERA programs.

9 Direct referrals from HEES to EMA will be a goal of SCE’s integration strategy. As
10 customer surveys are returned for review and processing, SCE will review customer account information
11 and if the customer is on the CARE rate, they will automatically be referred to EMA to have their home
12 assessed for eligible energy-efficient appliances.

13 **6. Efficient Affordable Housing (EAH)**

14 The EAH program is a performance-based approach to encourage qualifying property
15 owners to choose the most cost-effective measures that will achieve a 20 percent energy improvement
16 over existing building conditions. Energy education workshops, designed for owners and tenants, will
17 provide information regarding retrofits and energy efficiency topics. Measures to reduce building
18 energy usage may include, but will not be limited to, package air conditioners or heat pumps, windows,
19 and attic insulation.

20 SCE seeks to integrate the LIEE and EAH programs. Where a measure is not offered
21 through LIEE (either at no cost or with an incentive through the form of a small co-payment⁴⁴ which
22 provides a greater incentive to the customer than what is provided through the EAH program) the
23 customer will be provided information on the availability of incentives through the EAH program for
24 installation of those measures. This will provide property owners increased incentives for installing
25 energy-efficient measures in qualified low-income tenant units while offering energy-efficient services

⁴⁴ See Section V.C. of this Chapter.

1 and appliances to these same qualified tenants at no charge. Additionally, property owners and tenants
2 will be provided information and marketing material on SCE's LIEE, CARE, and FERA programs. This
3 will be a key component of energy education workshops offered to tenants.

4 **7. WE&T School Program**

5 SCE's EARTH School Program is an education and information program that effectively
6 integrates energy efficiency, demand response, renewable energy, and water conservation to address the
7 barriers faced by the school's market. Each program component will leverage existing incentives,
8 available through energy efficiency and demand response, to achieve immediate and long-term energy
9 savings and demand reduction in the schools, universities and homes of the students. SCE will
10 mainstream the three education programs (Green Schools, Green Campus and Livingwise) into its 2009-
11 2011 EE program portfolio.

12 SCE will integrate the EARTH School Program by providing information and marketing
13 material on SCE's LIEE, CARE, and FERA programs as part of the EARTH School Program. The
14 integration will provide information about free services and products for low-income customer homes
15 through another service delivery vehicle: visiting schools and reaching out to homeowners and tenants
16 through their school children.

17 **8. Mobile Energy Unit (MEU)**

18 The MEU is a converted 35-foot Winnebago recreational vehicle equipped with program
19 literature, educational materials and energy efficiency technologies and displays. The second unit
20 ("Tent") is an indoor or outdoor display tent, which features technologies and showcases SCE's energy
21 efficiency rebate and incentive programs.

22 SCE will integrate information and marketing material on SCE's LIEE, CARE, and
23 FERA programs into the MEU. Where possible, measures/products installed under the LIEE program
24 will be placed in exhibits and demonstrated to familiarize customers with energy-efficient products. SCE
25 will seek to target MEU availability to all communities in SCE's service territory including
26 economically-disadvantaged communities where the MEU will be used to overcome market barriers

1 related to insufficient information and product knowledge regarding energy-efficient products and
2 technologies.

3 **9. Community Language Outreach Program (CLEO)**

4 CLEO is a residential energy efficiency marketing, outreach, education and training
5 program specifically targeted to Vietnamese-, Indian-, Chinese- and Korean-speaking customers.

6 As part of its integration plan, SCE will include information and marketing material on
7 SCE's LIEE, CARE, and FERA programs in the CLEO program. Such integration will increase SCE's
8 ability to outreach to hard-to-reach, low-income customers living in culturally diverse communities
9 where English is a second language, thereby increasing enrollment in SCE's low-income programs.

10 **10. Energy Leader Partnership (ELP)**

11 SCE's ELP programs support local government organizations interested in energy
12 efficiency in response to the CEESP. SCE seeks to leverage the unique roles that local governments can
13 play in leading the way to a sustainable future by getting these partners to recognize that cost-effective
14 energy efficiency is the resource of first choice.

15 SCE's ELP portfolio includes city, county, and other local government organizations that
16 have a vision for sustainability and a desire to provide leadership to their communities. Partners will
17 lead by example. They will take action in their own facilities and provide opportunities for constituents
18 to take action in their homes and businesses.

19 The ELP supports the policy set forth in D.05-01-055, which notes that “[c]urrent or
20 future partnerships between IOUs and local governments can take advantage of the unique strengths that
21 both parties bring to the table to deliver cost-effective energy efficiency services ...”⁴⁵ In D.07-10-032,
22 the Commission “emphasized that local government partnerships can play a key role in energy
23 efficiency programs”⁴⁶ The Commission has included local governments in the CEESP in recognition
24 of their ability to impact local codes and to implement policies and outreach activities that influence

⁴⁵ D.05-01-055, Finding of Fact 34.

⁴⁶ D.07-10-032, p. 34.

1 employees and constituents. SCE will take advantage of groundwork laid by energy efficiency
2 programs in introducing energy efficiency into the homes of city, county and local community residents.

3 SCE will integrate information and marketing material on SCE's LIEE, CARE, and
4 FERA programs into its ELP efforts. Working with local communities, information and marketing
5 material on low-income programs will be distributed at ELP events. Local CBOs providing LIEE and
6 CARE/FERA services for SCE will be encouraged to work with ELPs to coordinate outreach events and
7 sign-up eligible customers.

8 **11. Summer Discount Plan (SDP)**

9 SDP is offered to SCE's residential and commercial customers, allowing SCE to
10 periodically turn-off the customer's air-conditioner during periods of peak energy demand in exchange
11 for credits on summer season electric bills. SCE will integrate information and marketing material on
12 SCE's LIEE, CARE, and FERA programs into literature and marketing material provided to SDP
13 participants, with cross-referrals being a goal of this effort.

14 Additionally, during installation and maintenance of HVAC systems under the EMA
15 program, the contractor will provide customers with information on SDP and will be encouraged to
16 assist customers in completing SDP applications. Contractors involved in SDP will also provide
17 information to potentially eligible customers on all low-income programs.

18 **12. Advanced Metering Infrastructure**

19 The CEESP includes near-term actions of identifying and assessing the benefits of
20 Advance Metering Infrastructure (AMI) for low-income customers and enabling the deployment of
21 equipment in low-income households. SCE's AMI program offers the opportunity to provide customers
22 with information on their energy use and real-time opportunities to manage their energy consumption.
23 SCE had considered an LIEE pilot for the purpose of testing in-home display units for low-income
24 customers to display information that would not otherwise be available on the meter itself. However, in
25 alignment with the CEESP, SCE's AMI rollout will include testing of in-home displays for all
26 residential customers. Therefore, in lieu of proposing a separate LIEE pilot, SCE will instead leverage

1 upon this company-wide effort by ensuring that CARE customers are included in the selection of
2 customers for testing in-home displays.

3 **13. Medical Baseline**

4 Customers who require certain medical equipment for life support or to treat specific
5 illnesses can receive an additional baseline energy allowance (Medical Baseline) to help manage their
6 energy needs. Qualified SCE customers receive an additional 16.5 kWh per day at the lowest baseline
7 rate. The Medical Baseline allocation is provided year-round, and specific renewal conditions apply.

8 SCE will integrate information and marketing material on SCE's LIEE, CARE, and
9 FERA programs into the Medical Baseline application process. Customers applying for Medical
10 Baseline will be made aware of SCE's EMA, CARE and FERA programs and encouraged to enroll to
11 receive no-cost energy-efficient appliances and rate discounts.

12 **14. The Energy Assistance Fund (EAF)/Rate Relief Assistance Program**

13 In an effort to provide financial relief to its income-qualified customers, SCE offers
14 assistance through EAF. Income-qualified customers may receive up to a \$150 payment toward their
15 SCE energy bill. Payments are available to eligible customers once in a 12-month period. As part of its
16 integration plans, SCE will provide information and marketing material regarding SCE's LIEE, CARE,
17 and FERA programs through EAF.

18 **F. Leverage Available Resources**

19 In Section V.E. of this Chapter, SCE described its approach for leveraging the presence and
20 reach of energy efficiency, demand-side management, and other programs to expand the reach of LIEE.
21 Within this Section, SCE describes its approach for working with key external stakeholders that serve as
22 direct partners in delivering LIEE services to eligible customers.

23 **1. Coordination with Other Utility LIEE Programs**

24 SCE has been coordinating enrollment activities with SoCalGas for over ten years. This
25 coordination has grown from the sharing of customer information for those customers that were
26 qualified for the program by either utility, to having assessment contractors conduct services for both
27 utilities in the shared service territory. This approach has many benefits:

- Qualifies customers for all available LIEE utility services in one visit;
- Customer provides qualifying documentation only once;
- Customer receives energy education for both electric and gas;
- Utilities can leverage the cost for these services; and
- Reduces visits to customers homes.

A similar approach will be coordinated between SCE and Southwest Gas, and SCE will also continue to share information with PG&E for the small number of customers in their shared service territory.

2. Coordination With Other Programs and Entities

SCE proposes to continue providing appliances, at no cost, to LIHEAP providers. This approach extends the funding available for both SCE and LIHEAP providers to service more LIEE customers. With this approach, SCE pays for the costs of purchasing and the delivery of the appliances to LIHEAP providers, who in turn install the appliance at the qualified customer's home under the state-funded program.

Traditionally, the appliance of choice for leveraging has been refrigerators. SCE has made all EMA program approved appliances available for leveraging. SCE will continue this leveraging approach during 2009-2011. In addition, SCE, along with the other IOUs, will continue discussions with DCSD on further leveraging opportunities.

The Joint Utilities developed an appendix to the CEESP that lists resources for low-income programs and other tools to better coordinate with other organizations and businesses. SCE has existing partnerships in place with some of these organizations and will look to the appendix as a resource for establishing new partnerships and providing complementary services to customers that will further the reach of the LIEE program.

3. Coordination With California Solar Initiative (CSI)

As stated in D.07-11-045, Conclusion of Law 11, low-income applicants for the CSI program must "enroll in LIEE, if eligible, and have all feasible LIEE measures installed or be on the waiting list for installation prior to receiving solar incentives." In addition, as stated in Ordering

1 Paragraph 4, the utilities shall “provide data on single-family homeowners enrolled in the LIEE program
2 to the CSI Program Manager ...”

3 In order to comply with these requirements, SCE proposes for the CSI Program Manager
4 and LIEE staff to coordinate data-sharing activities on a monthly basis in order to identify low-income
5 applicants for the single-family component of the CSI program who may be eligible for, but have not
6 received, all feasible LIEE measures, and also to identify for the CSI program any single-family
7 homeowners that have already received all feasible LIEE measures.

8 SCE will provide LIEE marketing materials that are to be distributed to low-income
9 tenants. In addition, SCE proposes that the respective program managers of the multi-family component
10 provide customer data to the LIEE program, so that low-income tenants in multi-family housing can be
11 made aware of, and participate in the LIEE program.

12 **4. Coordination With Codes and Standards**

13 SCE’s low-income programs will be coordinated with the Codes & Standards program to
14 ensure that the impacts of any code changes are incorporated into program design and implementation.

15 **G. Pilots**

16 SCE does not plan on implementing specific low-income pilots in the 2009-2011 program cycle.
17 Instead, it will engage in various studies as referenced in Section H of this Chapter. Study
18 implementation plans have been included in Attachment A-10.

19 **H. Studies**

20 **1. Impact, Process and Related Studies**

21 SCE is requesting authorization to conduct Measurement & Evaluation (M&E) studies to
22 help assess past program achievements and inform current and future program designs. Most of the
23 studies will be performed jointly among SCE, PG&E, SDG&E, and SoCalGas. However, SCE is
24 requesting funding for one study that will be conducted specifically for SCE. Detailed descriptions of
25 each study are provided in Attachment A-10.

26 An accurate determination of measure savings is critical for guiding program delivery
27 and determining cost-effectiveness. Impact, process and related studies facilitate the achievement of the

1 Programmatic Initiative by determining measure savings and improving programs that generate savings.
2 When parameters that determine measure savings are unclear – such as the Effective Useful Life (EUL)
3 of existing appliances – studies that uncover these figures also facilitate the achievement of the
4 Programmatic Initiative. Finally, studies that clarify non-energy related benefits of low-income
5 programs help determine cost-effectiveness in full and also guide program delivery which also supports
6 the achievement of the Programmatic Initiative.

7 An impact evaluation would be expected in 2010 if the previous two-year cycle for
8 requiring impact evaluations continues to be followed, with the next mandated study expected to be the
9 evaluation of the 2008 LIEE program.

10 A process evaluation is projected because one has not been done for several years, and
11 with the changes in the program, it would be prudent to conduct an evaluation of the effectiveness and
12 efficiency of the program design and operations.⁴⁷ A component of this process evaluation will explore
13 attitudinal and behavioral aspects of its LIEE and CARE population. In particular, SCE is interested in
14 determining customer willingness to participate in energy saving programs, the particular needs of high-
15 usage customers and how all of SCE’s low-income customers respond to energy education and
16 communication efforts.

17 The Joint Utilities also propose a NEB Study to quantify these elements of a cost-
18 effectiveness analysis, which is a key determinant of program design. Utility personnel and other
19 stakeholders have raised questions about the methods used to develop the current values assigned to the
20 NEBs of the programs, which come from a study that is now several years old.

21 Given the primary role of refrigeration in LIEE savings, the three electric utilities propose
22 a study of refrigerator retention and efficiency degradation in 2009 to determine optimal refrigerator
23 replacement criteria.

⁴⁷ The Commission-adopted *California Energy Efficiency Evaluation Protocols: Technical, Methodological, and Reporting Requirements for Evaluation Professionals* document dated April 2006, states, “It is anticipated that most programs will have at least one in-depth comprehensive process evaluation within each program funding cycle (e.g., 2006-2008), but a program may have more or less studies depending on the issues that the IOUs need to research, the timing of the information needed and the importance of those issues within the program cycle.”

1 SCE and PG&E are also proposing a study to increase the precision of targeting methods
2 to various customer segments. This segmentation study will help identify eligible and willing customers
3 for the LIEE program. Potential target populations include:

- 4 • Tier 4 and 5 customers
- 5 • Tier 1-3 customers
- 6 • In-language customers
- 7 • Customers with the greatest energy burden and energy insecurity

8 SCE and PG&E also anticipate that successful targeting based on a robust segmentation
9 will utilize existing data sources such as income eligibility at the block group/small area level,
10 payment/arrearage history, energy usage history, housing age and type (single/multi-family, mobile
11 home) and fuel type. Weather factors will also be examined.

12 **2. SCE-Specific Market Studies**

13 High Usage CARE Customer Study - While SCE's outreach and program delivery
14 strategies generally consist of assessment, education and remediation, SCE also proposes research to
15 identify high-tier CARE customer energy use in mild climate zones. Within this resource-intensive
16 segment, SCE would identify energy-inefficient practices, evaluate appliances and recommend best
17 energy-efficient practices that will result in lower customer bills and increased energy and demand
18 savings.

19 SCE requests three-year total funding for the above studies related to the 2009-2011
20 LIEE programs as shown in Table V-8:

Table V-8
Measurement & Evaluation of LIEE Program - SCE

Statewide Studies	Total Cost	SCE Share	SCE Cost
Impact Evaluation of the 2010 LIEE Program	\$600,000	30%	\$180,000
Process Evaluation of the 2009 LIEE Program	\$250,000	30%	\$75,000
Non-Energy Benefits Study	\$300,000	30%	\$90,000
Refrigerator Degradation EUL Study	\$200,000	33.33%	\$67,000
LIEE Household Segmentation Study	\$200,000	30%	\$80,000
Sub Total	\$1,550,000		\$492,000
SCE Specific Study			
High Use CARE Customer Study	\$200,000	100%	\$200,000
Total	-\$1,750,000		692,000

1 **VI.**

2 **BUDGET**

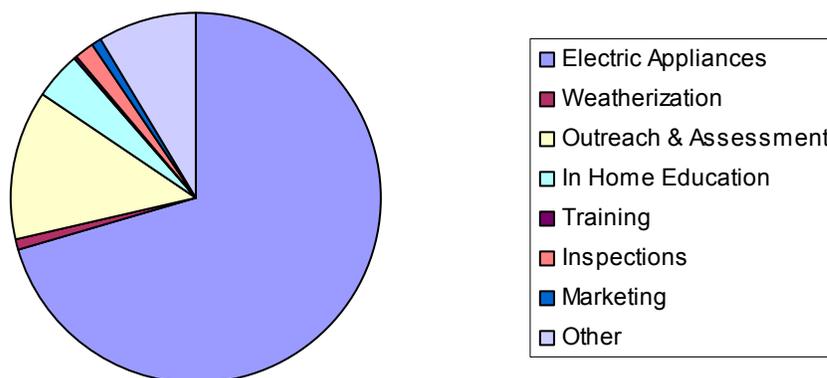
3 **A. Budget Discussion**

4 SCE's budget has been developed to support the achievement of the Commission's
5 Programmatic Initiative to treat 1/4th of homes that remain eligible for LIEE and are willing to take
6 services by December 2011. SCE expects to treat 226,000 eligible homes over this period with a three-
7 year budget of \$165 million. To the extent authorized funds from the 2008 program remain unspent at
8 the end of 2008, SCE requests authorization to carry unspent 2008 LIEE funds over to the 2009
9 program. SCE presents a detailed budget in Attachment A-1, and planning assumptions on homes
10 treated and measures that will be delivered to eligible customers from 2009 through 2011 in Attachment
11 A-2. In support of the Commission's goal to target customers within segments, SCE will be directing
12 approximately 3/4^{ths} of its budget resources to customers in extreme climate zones who typically use
13 more energy and pay higher bills relative to their available income, and face higher concerns related to
14 health, safety, and comfort due to extreme heat. Simultaneously, SCE expects to target customers in
15 mild climate zones with the remaining 1/4th of the 2009-2011 budget. Customers in SCE's milder
16 climates typically use less energy, and will not be eligible for as many cooling measures, which will
17 allow more customers to be served at far less cost. SCE's budget has been developed according to the
18 following program categories.

- 19
- 20 • Electric Appliances: Costs related to purchasing and installing equipment, electric
21 appliance tune-up, repair or replacement. This category excludes inspections.
 - 22 • Weatherization Measures: Costs related to purchasing and installing materials for all
23 LIEE program weatherization measures, exclusive of inspections.
 - 24 • Outreach & Assessment: Costs associated with community outreach or promoting the
25 program to attract participation in the LIEE program exclusive of In-Home Energy
26 Education and education workshop efforts. This includes all costs associated with door-
27 to-door outreach, pre-participation audits, assessment for income eligibility and measure
feasibility, etc. This does not include inspections.

- 1 • In-Home Energy Education: Costs for conducting in-home education efforts for the
2 LIEE program.
- 3 • Training Center: Costs attributable to operation of the LIEE program for training
4 activities. This can include either training center or other training activities applicable to
5 the LIEE program.
- 6 • Inspections: Costs for pre- and post-inspections associated with installation of measures
7 for the LIEE program.
- 8 • Marketing: Costs attributable to the LIEE program for marketing may include LIEE
9 portions of advertising or promotion costs that promote a broader range of programs.
10 These costs only include mass media advertising (e.g., TV, newspaper, radio) and direct
11 mail costs.
- 12 • M&E Studies: Includes measurement and evaluation costs that are attributable to the
13 LIEE program efforts. SCE's study implementation plans for the LIEE program are
14 included in Attachment A-10.
- 15 • Regulatory Compliance: Typical activities budgeted within this category include, but are
16 not limited to, preparation of applications and testimony, advice filings, comments on
17 Commission decisions and reports, preparing responses to data requests, submittal of
18 monthly, quarterly, and annual reports to the Commission, statewide strategic planning
19 support, developing presentations for Low-Income Oversight Board meetings, and
20 supervisory and legal support for regulatory issues.
- 21 • General Administration: Additional administration costs that should be allocated to the
22 LIEE program, but are not covered by other more specific categories are included in this
23 category. SCE administers its program in-house and includes costs for administering and
24 managing the LIEE program within this program category.
- 25 • CPUC Energy Division: Costs by the Commission's Energy Division required to oversee
26 the LIEE program efforts are included within this category.

Figure VI-5
SCE Cost Distribution by Major Budget Categories
for the 2009-2011 Program



1 **B. Tracking Program Costs**

2 SCE proposes to track program costs consistent with the program budget categories defined in
3 Attachment A-1 to this Testimony. The program budget categories in Attachment A-1 are used for
4 monthly and annual LIEE reporting and were most recently approved by the Commission in a
5 November 2007 letter from the Energy Division Director to the utilities. Although program reporting
6 was substantially revised for the 2007 time period after several years of relatively stable reporting, the
7 reporting of program expenses underwent only minor changes. The budget and expense categories have
8 remained fairly consistent since 2001, which has facilitated continuity of reporting throughout the
9 decade. SCE proposes to maintain monthly and annual reporting according to the approved LIEE
10 reporting categories in 2009-2011. SCE believes this will permit comparable cost benefit analysis of
11 each program element across the utilities. SCE will continue to work with the other IOUs and Energy
12 Division to adjust the content and format of the reports with the goal of presenting streamlined
13 information that facilitates program oversight.

1 **C. Budget Flexibility**

2 SCE proposes a three-year budget of \$165 million for the 2009-2011 program cycle. SCE
3 further requests authorization to carry forward or carry back funding into 2009, 2010, or 2011 during the
4 three-year funding cycle to promote seamless program delivery to customers throughout the 2009-2011
5 timeframe. SCE requests full authority to shift funds among program categories in 2009, 2010, and
6 2011. This flexibility will enable the utilities to make necessary adjustments among appliance
7 purchases, weatherization measures, marketing, training, and other activities to efficiently achieve 25%
8 of the Commission's Programmatic Initiative by 2011. Prior to 2007, the Commission allowed the
9 utilities full flexibility to shift funds among program categories as needed to achieve program objectives;
10 However, in D.06-12-038, the Commission restricted movement of funds among measurement and
11 evaluation, general administration, and the regulatory compliance categories. These restrictions have
12 proven to be problematic as we enter the 2008 time period. The Commission and utilities could not
13 have foreseen the resource requirements that would be necessary to develop the LIEE chapter of the
14 CEESP and support its implementation in 2008. To avoid future resource constraints as the utilities
15 begin implementation of the Commission's Programmatic Initiative, SCE requests that the 2007-08 fund
16 shifting restrictions be removed to allow flexibility for program adjustments, expeditious modifications,
17 and to eliminate potential delays. The utilities have established incentives in place to maximize resource
18 value through the program over the ensuing three-year period.

19 Additionally, as discussed in Section V.E. of this Chapter, through CANHP, LIEE funds will be
20 committed for housing units that may not be constructed for several years after the commitment. SCE is
21 requesting authorization to allow LIEE funds committed through CANHP to be reserved, as necessary,
22 into the next program cycle beginning in 2012.

23 If the Commission should be delayed in issuing a decision on SCE's 2009-2011 low-income
24 programs budget application, SCE requests interim authorization from the Commission to continue
25 LIEE activities into 2009 using proposed 2009 program funds. Accomplishments achieved during this
26 interim period will be counted toward 2009 program results.

27 **Measurement and Evaluation (M&E) Budgets**

1 SCE requests authorization to carry-forward M&E funding because of the unique budget issues
2 encountered for M&E studies. In the past, SCE has shown the entire amount of M&E funding available
3 each year, regardless of the year in which it was expected to be expended. The Commission, in D.06-
4 12-038, directed that the utilities cannot carry over funding within a program cycle, or from previous
5 periods, into M&E activities without the Administrative Law Judge's written approval.⁴⁸ The funding
6 limitations approved in D.06-12-038 are detrimental to proper management of the M&E budgets in that
7 measurement and evaluation of a program often by necessity lag behind the operation of the program
8 that is to be evaluated. The restrictions create an undesirable influence on the optimal timeframe that is
9 necessary to meet the objectives for a particular study. The initiation of a study may be linked to other
10 events that can not always be anticipated. When D.06-12-038 was issued, the utilities could not have
11 foreseen the scope of R.07-01-042 or the CEESP effort that would commence in 2007, and ultimately
12 influence the desired timeframe for some of the previously-approved studies. For example, in D.06-12-
13 038, the Commission authorized an impact evaluation of the 2007 LIEE program. Parties now agree
14 that the 2008 program represents a more optimal year for conducting the evaluation. Some of the
15 activities and costs for the study will be incurred in 2009. SCE should not be required to seek additional
16 funding in 2009 to complete a study that it will initiate in 2008. The Commission needs to assure that
17 funding commitments for M&E will be honored across calendar years and program cycles.

18 SCE is requesting that the Commission approve the following guidelines for M&E studies: (1)
19 authorization to carry over funding for a M&E study approved in a prior program cycle (e.g., 2007-
20 2008) into a subsequent program cycle (e.g., 2009-2011) in order to complete a study; and (2)
21 authorization to carry over funding for a M&E study approved within a program cycle to a subsequent
22 year within the program cycle to conduct and complete studies that span across calendar years.

⁴⁸ D.06-12-038, p. 29, p. 35, Ordering Paragraph 15.

1 **VII.**

2 **REVENUE REQUIREMENTS AND RATE IMPACTS**

3 SCE proposes no change to the currently-approved LIEE ratemaking as authorized in D.05-04-
4 052 and D.05-12-026. SCE’s current ratemaking associated with LIEE includes: 1) the recovery of the
5 Commission-authorized LIEE revenue requirement through the operation of the Public Purpose
6 Programs Adjustment Mechanism (PPPAM), and 2) the comparison of the authorized LIEE revenue
7 requirements with actually incurred LIEE expenses in the Low-Income Energy Efficiency Programs
8 Adjustment Mechanism (LIEEPAM).

9 Through the operation of the PPPAM, on a monthly basis SCE compares recorded Public
10 Purpose Programs Charge (PPPC) revenue with authorized Public Purpose Programs costs, including
11 Public Goods Charge revenue requirements and other authorized expenses such as authorized LIEE
12 revenue requirements. In SCE’s annual August 1st ERRRA Forecast applications, SCE will set forth its
13 consolidated revenue requirement for the subsequent year. Included in the consolidated PPPC revenue
14 requirement will be the authorized LIEE revenue requirement plus the estimated year-end PPPAM
15 balance. Through the operation of the LIEEPAM, SCE compares the authorized LIEE revenue
16 requirement with actual LIEE expenses. The balance recorded in the LIEEPAM is carried over from
17 one year to the next.

1 **VIII.**

2 **COMPETITIVE BID**

3 SCE plans to continue with its past practice of administering the LIEE program in-house as
4 described in Section V of this Chapter.

5 **IX.**

6 **CONCLUSION**

7 SCE requests approval of its 2009, 2010, and 2011 program budgets, plans and ratemaking for
8 the LIEE programs. Specifically, SCE requests:

- 9 • Authorization to carry unspent 2008 LIEE funds over to the 2009 program;
- 10 • Approval of a three-year \$165 million budget and program plans for 2009-2011 with
11 authority to carry forward or carry back funding within the timeframe to ensure seamless
12 delivery of service to customers;
- 13 • Removal of fund-shifting restrictions imposed in D.06-12-038, and approval to reallocate
14 funding among LIEE budget categories as changed conditions warrant to meet the
15 Commission's LIEE Programmatic Initiative;
- 16 • Approval to offer the cost-effective and non-cost-effective LIEE measures as proposed in this
17 Application;
- 18 • Authorization to continue leveraging resources in providing gas-related measures and
19 weatherization services to customers receiving gas service from SCE on Catalina Island;
- 20 • Authorization to develop a statewide LIEE program name instead of a tagline and approval
21 of the program name, which will be submitted to the Commission by July 14, 2008;
- 22 • Authorization to revise the Statewide Policies and Procedures Manual and Weatherization
23 Installation Standards Manual to reflect the addition of new measures after receiving
24 appropriate public input;
- 25 • Approval of proposed carry-over funding guidelines for M&E;
- 26 • Authorization to allow funds committed through CANHP to be reserved, as necessary, into
27 the next program cycle beginning in 2012;

- 1 • Authorization to fund LIEE activities in 2009 using proposed 2009 program funds in the
- 2 event of Commission delay in issuing a decision on SCE's 2009-2011 Application; and
- 3 • Authorization to continue currently-approved LIEE ratemaking.

1 **CHAPTER 2 – CALIFORNIA ALTERNATE RATES FOR ENERGY**

2 **I.**

3 **INTRODUCTION**

4 In accordance with the Commission directives as set forth in D.07-12-051, SCE submits this
5 Testimony in support of its Application requesting approval of its 2009, 2010, and 2011 CARE program
6 plans, program budgets and proposed ratemaking treatment.

7 This Chapter of Testimony discusses the administrative activities and budgets for SCE’s 2009,
8 2010, and 2011 CARE program, by expenditure category, as well as details concerning the program’s
9 plan and ratemaking treatment.

10 SCE’s 2009, 2010, and 2011 CARE program was discussed during a workshop that was noticed
11 and held jointly with SoCalGas in Downey, California on March 12, 2008.

12 **II.**

13 **BACKGROUND**

14 In 1989, the Commission issued D.89-07-062 and D.89-09-044 which adopted the Low-Income
15 Rate Assistance (LIRA) program to provide rate assistance to customers with the greatest need. At that
16 time, the LIRA program provided a 15% discount to eligible customers, with program eligibility
17 established at 150% of federal poverty guidelines using General Order 153, originally written for the
18 Universal Lifeline Telephone Service, as a benchmark. In D.92-04-024, the Commission expanded the
19 LIRA program to include qualified group living facilities. In 1994 the Commission issued D.94-10-059,
20 which changed the program name to “California Alternate Rates for Energy” and expanded eligibility to
21 housing for migrant farm workers and agricultural employees, and employee housing.

22 In 2001, in D.01-06-010, the Commission raised the CARE income guidelines from 150% to
23 175% of federal poverty guidelines and increased the CARE discount from 15% to 20%, which remains
24 in effect.⁴⁹ In 2002, the Commission established the current CARE penetration goal of reaching 100%
25 of low-income customers who are eligible for, and desire to participate in, the CARE program. The

⁴⁹ In D.01-03-082, the Commission had raised income eligibility from 150% to 175% for just SCE and PG&E. D.01-06-010 raised the income eligibility for SoCalGas and SDG&E.

1 Commission, in D.05-04-052, ordered that the CARE discount be offered to occupants of migrant farm
2 labor centers. In 2005, the Commission issued D.05-10-044, which increased the upper limit of CARE
3 income eligibility from 175% to 200% of federal poverty guidelines. With the alignment of CARE and
4 LIEE income guidelines at 200% of federal poverty guidelines, new opportunities have been created to
5 jointly market the two programs.

6 In 2006, the Commission directed the utilities to provide the CARE discount to common areas of
7 nonprofit group living facilities without regard to metering arrangements.

8 AB 2104 was enacted in 2006 and required the Commission to approve a plan for the IOUs to
9 improve master-metered tenant access to CARE program discounts by December 31, 2007. The
10 Commission, in D.07-12-051, directed the utilities to file affidavits certifying compliance with AB 2104
11 through activities such as directly accepting CARE applications from tenants of a mobile home park or
12 similar complex, and directly notifying and providing renewal applications to such tenants that are
13 existing CARE customers. The utilities also were directed to provide each master-meter customer with
14 a list of tenants who are approved to receive discounts pursuant to the CARE program and identify those
15 tenants added to or deleted from CARE program eligibility since the previous billing cycle. In
16 accordance with D.07-12-051, SCE filed its compliance affidavit in January 2008.

17 SCE and the other California utilities have been national leaders in reaching out to low-income
18 customers who are eligible for rate assistance. SCE's 2009-2011 CARE program is designed to move
19 SCE toward the Commission's goal of enrolling all eligible customers in CARE who are willing to
20 participate. SCE's proposals recognize that many of the customers who are eligible for CARE, but not
21 yet enrolled, have been the most difficult to reach with the strategies employed to date. To address this,
22 SCE will employ highly focused outreach strategies to inform customers about CARE and to target
23 those hardest-to-reach customers. For instance, SCE will employ outreach initiatives with faith-based
24 organizations, community agencies, and county and state agencies in areas where door-to-door
25 canvassing may be necessary to enroll hard-to-reach populations. Successes will be modeled and
26 duplicated in other communities. SCE will also continue its efforts to make the recertification and
27 verification processes as customer-friendly as possible. Technology improvements and multilingual

1 communications will continue in an effort to reduce the number of customers who fall off the rate for
2 failure to recertify their eligibility. These efforts include “real time” online recertification via sce.com
3 and the continuation of the automated Voice Response Unit (VRU) through which customers can easily
4 recertify their CARE eligibility. Other efforts to expand enrollment will include working with federal,
5 state, and local programs whose customers qualify for CARE. With the continued alignment of income
6 eligibility for the LIEE and CARE programs at 200% of federal poverty guidelines, more collaborative
7 outreach efforts can be designed to market and advertise both programs to achieve maximum
8 participation.

9 III.

10 **CARE PROGRAM GOALS AND BUDGET FOR PROGRAM YEARS 2009, 2010 AND 2011**

11 In 2009-2011, SCE will continue its efforts to enroll all CARE-eligible customers who wish to
12 participate in the program. These efforts will focus on maximizing new customer enrollment and
13 minimizing attrition, mainly from CARE participants who fail to return a CARE application during the
14 recertification process or do not respond to a verification request. This Testimony discusses SCE’s
15 proposed administrative activities and budgets for program years 2009-2011 by expenditure category.
16 SCE’s overall program approach will continue and expand on the activities that were approved for 2007
17 and 2008 pursuant to D.06-12-038.

18 Table III-9 below sets forth SCE’s proposed CARE administrative budgets for 2009-2011. The
19 format is consistent with the table included in Attachment B-1, which compares proposed program
20 expenditures for 2009-2011 with approved CARE budgets for 2007 and 2008.

Table III-9
Proposed 2009-2011 CARE Program Budgets – SCE

CARE BUDGET CATEGORIES	2009 Planned	2010 Planned	2011 Planned
Outreach	\$2,400,000	\$2,200,000	\$2,200,000
Automatic Enrollment	\$30,000	\$30,000	\$30,000
Proc., Certification and Verification	\$850,000	\$875,000	\$900,000
Information Tech./Programming	\$1,000,000	\$1,000,000	\$1,000,000
Pilots	0	0	0
Measurement and Evaluation	\$56,000	\$56,000	\$56,000
Regulatory Compliance	\$135,000	\$140,000	\$145,000
General Administration	\$864,000	\$905,000	\$948,000
Commission Energy Division Staff	\$206,000	\$206,000	\$206,000
Total Administrative Costs	\$5,541,000	\$5,412,000	\$5,485,000
Subsidies and Benefits	\$203,000,000	\$207,900,000	\$211,400,000
Total Program Costs and Discounts	\$208,541,000	\$213,312,000	\$216,885,000

1 As of March 31, 2008, SCE had 1,043,964 customers participating in CARE out of 1,333,453
2 estimated eligible. As CARE enrollment and penetration rates increase, the remaining CARE-eligible
3 customers will become increasingly difficult to reach. Sophisticated outreach will be required to enroll
4 new CARE customers from a shrinking pool of remaining eligible customers who have not enrolled in
5 the program. SCE's 2009-2011 CARE programs are designed to continue progression toward the
6 Commission's goal of enrolling all eligible customers who are willing to participate in CARE and
7 maintain those customers on the CARE rate through the recertification process. In order to increase the
8 number of participants during 2009-2011, SCE will need to reduce the percentage of customers removed
9 from the program during the recertification process for failure to respond to requests to submit a new
10 CARE application. SCE's 2009-2011 CARE programs are designed to further modify automated
11 systems to more accurately track the enrollment process in CARE, including language preference at the
12 time of initial enrollment, so that highly targeted communications can be directed to customers when it
13 is time for them to recertify.

14 SCE proposes to increase its authorized administrative budget of \$4,199,000 to \$5,541,000 in
15 2009, \$5,412,000 in 2010 and \$5,485,000 in 2011. This proposed budget includes the necessary annual

1 resources necessary to fund anticipated expenditures for program activities including outreach, program
2 support, information technology, data sharing with other IOUs, automatic enrollment, and other CARE
3 program activities.

4 SCE's 2009-2011 CARE budgets include anticipated expenditures based on current directives
5 and program parameters and do not include any expenditures for administrative activities that the
6 utilities may be ordered to undertake in the future. Moreover, the uncertainty posed by implementation
7 of any unknown or undefined Commission project could require subsequent revision to the
8 administrative budget if actual utility expenditures exceed the Commission's and SCE's initial
9 estimates. If actual expenditures for implementing all aspects of CARE administration (including
10 customer outreach), exceed the proposed budget due to an increase in the Commission's initial scope of
11 work, SCE will seek to be fully compensated for any reasonable increased costs incurred as a result of
12 implementing the Commission's policy. SCE also requests flexibility to reallocate funding among
13 budget categories as required to meet CARE goals and objectives. This flexibility and the two-way
14 balancing account afford the utilities the best tools to efficiently operate the program and reach program
15 goals. For example, if an information technology project is suspended for any reason and additional
16 marketing is needed in a hard-to-reach area with low CARE penetration, then a shift of funds within
17 budget categories is the most prudent action.

1 IV.

2 **PROGRAM ADMINISTRATION**

3 **A. Processing/Certification/Verification**

4 SCE expects that the volume of processing, recertification, and verification activity will increase
5 in 2009, 2010, and 2011 as a result of increased CARE eligibility and participation. SCE has budgeted
6 approximately \$850,000 in 2009; \$875,000 in 2010; and \$900,000 in 2011, to support (1) increased
7 recertification and verification due to increased enrollment; (2) in-language applications, recertification
8 and verification letters; (3) in-language recertification and verification reminder letters; (4) application
9 processing costs that assign “source codes” to track virtually all outreach activities; and (5) the
10 telephone operator-assisted enrollment and recertification processes.

11 In 2007 and 2008, continued efforts focused on improving and simplifying the recertification and
12 verification processes associated with CARE participants who must reapply for the program every two
13 years and those who are subject to post-enrollment verification. SCE initially sends correspondence to
14 customers requesting that they complete a recertification application, or provide documentation to verify
15 their eligibility if they have been selected for post-enrollment verification. In order to minimize attrition
16 of CARE participation, if customers do not respond to SCE’s initial request, SCE sends follow-up letters
17 reminding customers that they must complete the recertification or verification process. This follow-up
18 letter is sent within 30 days of mailing the initial request to customers who do not respond to the initial
19 request. SCE now provides all recertification letters, verifications letters, and accompanying
20 documentation in the non-English languages that are most prevalent in SCE’s service territory, including
21 Cambodian, Chinese, Korean, Spanish, and Vietnamese.

22 Additionally, in November 2007, SCE implemented its “real-time” online enrollment,
23 recertification, and de-enrollment applications for the CARE and FERA programs. These real-time
24 applications allow customers to complete the desired application online via SCE’s website and either be
25 enrolled into the CARE or FERA program; recertify their eligibility for the CARE or FERA program; or
26 inform SCE that they are no longer eligible for CARE or FERA. These applications are available in
27 English, Spanish, Chinese, Korean, and Vietnamese. Moreover, the online applications have large-font

1 capability for SCE's sight-impaired customers. As of March 31, 2008, more than 20,000 customers
2 have been enrolled through SCE's online enrollment application; 440 customers recertified; and 40
3 customers notifying SCE that they are no longer eligible for CARE or FERA.

4 A complete list of detailed projects that will be undertaken in program years 2009, 2010, and
5 2011 to continue to streamline CARE and FERA program enrollment for customers and simplify
6 recertification and verification processes are identified below.

7 **B. Information Technology/Programming**

8 Systems enhancements planned for 2009-2011 will assist SCE in meeting the Commission's goal
9 of enrolling all eligible customers in CARE who are willing to participate, as well as maintaining their
10 continued enrollment. Focus will be on maintaining existing customers who continue to qualify for
11 CARE via expanded customer communications and improved internal/external processes.

12 Over the 2009-2011 timeframe, SCE has budgeted \$3,000,000 for planned Information
13 Technology (IT) enhancements that will include, but are not limited to those listed on Table IV-10
14 below. Because of IT restrictions, SCE is unable at this time to determine in which year, 2009, 2010 or
15 2011, the following IT enhancements will be implemented.

Table IV-10
Billing System-System Development and Enhancements-Information Technology
2009-2011 Estimated Costs

No	Description	Estimated Costs
Enrollment		
1	Expand Inter-utility Data Sharing to Include Submetered Tenants	\$36,000
2	Automatically Enroll HEAP Participants	\$16,000
3	Automatically Enroll and Verify LIEE Participants	\$24,000
Recertification		
4	Enhance Automated Response Unit to Provide Recertification Reminder	\$54,000
5	Extend Recertification and Verification Response Time to 90 Days	\$20,000
6	Expand Inter-utility Data Sharing to Include Recertification Records (SWG & PG&E)	\$22,000
7	Modify Recertification Date for Submetered Tenant and Group Living Facilities	\$85,000
Verification		
8	Add Barcoding Capability to Verification Letters	\$80,000
9	Include Submetered Tenants and Group Living Facilities for Verification Process	\$65,000
10	Expand Inter-utility Data Sharing to Include Verification Records	\$60,000
Customer Communications		
11	Add Online Application Information to all SCE Print Materials and Recordings	\$75,000
12	Expand Voice Recognition Unit to Include Asian Languages for Recertification	\$108,000
13	Expand Multi Lingual Communications to Lesser Utilized Letters	\$75,000
14	Display CARE Discount Amount with Addition of Line Item on Bill	\$350,000
Database Enhancements and Operational Efficiencies		
15	Process Source Codes For Submetered Tenants	\$50,000
16	Mail Sorting/Counting Equipment	\$89,000
17	Application Image Scanner Archival And Retrieval System	\$255,000
18	Enhance Customer Letter Software	\$200,000
19	Modify Database to Allow Supplemental Processing Capabilities	\$70,000
20	Maintenance Work and Simple System Enhancements	\$916,000
Web Enhancements		
21	Add Ability for Submetered Tenants to Apply Via the Web	\$100,000
22	Create Web Based Interface for Contractors Accessibility to Documents & Reports	\$250,000
Total		\$3,000,000

1. Enrollment

Because data sharing with other utilities has proven to be an effective and successful way of enrolling new participants, SCE plans on expanding the current data sharing efforts to include submetered tenants. SCE also plans to enhance the current, partial automated process of enrolling

1 LIHEAP and LIEE participants to full automation. A total estimated cost for all three enhancements is
2 \$76,000.

3 **2. Recertification**

4 Technology improvements and in-language communications will help SCE reduce the
5 number of customers who fall off of the CARE rate for failure to recertify their eligibility. These efforts
6 include the automated VRU through which customers can easily recertify their CARE eligibility. In
7 2009-2011, the use of the VRU will be enhanced to provide an automated call out, in 5 languages,
8 reminding customers to respond to a recertification request 45 days following the mailing of the
9 recertification request. The estimated cost for this improvement is \$54,000.

10 In an effort to align with other IOUs' processes, SCE plans to extend the current
11 recertification and verification customer response time from 60 days to 90 days. Extending the response
12 time will require database and letter text modifications. The cost estimate for this project is \$20,000.

13 SCE expects to expand inter-utility data sharing with SouthWest Gas Company (SWG)
14 and PG&E to include recertification information. Leveraging this data will keep qualified customers on
15 the program and reduce duplicative efforts in contacting customers and requiring them to fill out the
16 same paperwork. Current incoming and outgoing files will need to be expanded to include
17 recertification and verification records. The current program that categorizes the records as high, mid
18 and low level matches will need to be modified to recognize these additional data. Cost for this work is
19 estimated at \$22,000.

20 SCE plans on modifying the recertification time period for both submetered tenants and
21 group living facilities to take place on the enrollment or recertification anniversary date, just as it
22 currently does for residential CARE customers. Modifying the existing customer database to do so will
23 require major changes to the way the database relates customers to accounts, locations and meters. The
24 cost estimate for these changes is \$85,000.

25 **3. Verification**

26 In 2006, SCE implemented the use of barcode technology on its recertification letters,
27 which has streamlined processes allowing customers to be placed on the discounted rate at a higher

1 volume. SCE plans on expanding the bar-coding technology to include verification letters. The existing
2 barcode interface with Customer Service System (CSS) will need to be expanded to include verification
3 records. A validation to recognize due dates will be incorporated into the program so that the system
4 will not drop a customer off of the rate whose verification due date expires while their paperwork is in
5 the queue for processing by SCE. The costs associated are estimated at \$80,000.

6 Currently, submetered tenants and group living facilities are not chosen for verification.
7 SCE plans to include tenants in the random sampling process along with individually metered
8 customers. The cost to upgrade the system with these changes is \$65,000.

9 SCE expects to expand inter-utility data sharing with the other utilities to include
10 verification information. Again, leveraging this data will assist in keeping qualified customers on the
11 program and will reduce duplicative efforts in contacting customers and requiring them to fill out the
12 same paperwork. Incoming and outgoing files will be expanded to include the additional records and
13 the current program modified to allow processing of verifications. Current reports will require the
14 addition of new information. Cost for this work is estimated at \$60,000.

15 **4. Customer Communication**

16 SCE also plans to identify all areas within the company, as well as externally, where the
17 CARE program is promoted (e.g., all print materials, letters, voice recordings, etc.) and add information
18 regarding the online application to promote its use. This will include altering letter templates and re-
19 recording of messages in all of the respective languages. The cost for this is estimated at \$75,000.

20 In the 2009-2011 program cycle SCE plans to expand its VRU to include recertification
21 information in Korean, Chinese, Vietnamese and Cambodian. System upgrades required include various
22 language recordings, hardware upgrades to recognize Asian languages, editing and updating databases
23 with new language vocabulary, testing and maintenance. The cost estimate for this project is \$108,000.

24 SCE will continue to translate program letters into multiple languages so that customers
25 may receive follow-up communications in their preferred languages as the Commission has historically
26 recommended. This will require system upgrades for letter translations, CSS modifications to handle
27 new mail events, modification of the batch process that sends CARE/FERA letters to inserting, and

1 expanded reporting to include new data. The cost estimate for implementation of these additional letters
2 is \$75,000.

3 In 2008, SCE simplified its bill and made the information on the bill easier to understand.
4 As a follow up enhancement, SCE plans to display the CARE discount as a separate line item on the bill
5 so that customers can easily identify their monthly savings relating to CARE. Major changes on how
6 CARE bills are calculated by the system will need to take place to segregate the discounted amount from
7 the usage charges. The cost estimate for this project is \$350,000.

8 **5. Database Enhancement and Operational Efficiency**

9 Currently, source codes are used to track the source of applications received from
10 individually metered customers. In the wake of AB 2104, SCE plans to expand this tracking capability
11 to submetered tenants. Doing this will assist program management in understanding the most effective
12 solicitations to this population. Current processing screens will need to be enhanced to include new
13 fields and corresponding reports will need to be created. The cost estimate for this project is \$50,000.

14 During the 2009-2011 program cycle, SCE plans to upgrade its sorting machine used for
15 CARE and FERA correspondence and install mail sorting and cutting equipment with high-speed letter
16 capabilities and a feeder that can process a full range of mixed mail. The sorter will include features
17 such as a barcode reader and optical character recognition. Estimated cost for this project is \$89,000.

18 In an effort to increase operational efficiencies, SCE plans to install scanning equipment
19 that will record an image of each application for archival and retrieval purposes. An interface will need
20 to be created between the CSS database and the scanner so that scanned applications can be retrieved
21 utilizing service account numbers. The cost estimate for this project is set at \$255,000.

22 Currently, there is no automated process or system for tracking and archiving CARE
23 correspondence and other CARE/FERA-related documents. As a result, SCE has had to develop and
24 maintain a manual process which is costly and less efficient. In order to improve efficiency and
25 minimize cost, SCE plans to implement software that will manage the multitude of letters in one
26 centralized database that will directly interface with the new SAP platform. This new system will have
27 the ability to handle both printed and electronic communications. It will also retain history of what

1 correspondence has been sent to specific customers and allow for increased security controls for users.
2 The cost for the customer letter software is estimated at \$200,000.

3 To address the spike in workload (i.e., annual recertification, June bill insert), additional
4 labor resources are required to keep backlog to a minimum. SCE proposes to set up the infrastructure to
5 allow for third party processing. The additional hardware/software required will capture application
6 data reducing manual data entry and directly interface with SCE's database. Cost to build the interface
7 is estimated at \$70,000.

8 **6. Web Enhancement**

9 SCE plans to utilize the web by offering its capitation fee contractors a web interface that
10 will allow them to sign up for the Capitation Fee Project online, track the status of applications
11 submitted and verify payment information. New web pages and input forms will need to be designed
12 and incorporated into sce.com. A link to the database will need to be created so that the data can be
13 called upon in the proper format when requested by the user. The cost estimate is \$250,000.

14 In 2007 and 2008, IT projects such as the addition of an electronic "real time" web
15 enrollment and recertification forms were launched to increase and maintain CARE enrollment.
16 Customer response to these forms has been high with over 20,000 enrollments and recertifications
17 submitted and approved as of April 30, 2008. To capitalize on this success, SCE plans to offer an online
18 application for submetered tenants. Upgrades to sce.com will include the addition of a new input form,
19 income validations and interface with the mainframe. The mainframe will need to be modified to store
20 new information which is currently not present in the existing system. The cost for this enhancement is
21 estimated at \$100,000.

22 **7. Systems Maintenance**

23 SCE has allocated \$916,000 of the 2009-2011 IT funding for costs associated with
24 maintaining all systems related to the CARE program. Included in these costs are the following: labor
25 involved in the initial assessment of effort required for major enhancements, impromptu reporting and
26 data queries as requested either internally or by a regulatory body, the use of server space for data

1 retention, work involved with the correction of minor system malfunctions and small enhancements to
2 existing functionality.

3 Each of the proposed projects will streamline processes, simplify customer enrollment,
4 provides better customer communication, and enhances data that will help address customer need.

5 **C. Pilots**

6 SCE is not proposing pilots for the 2009-11 CARE program. Instead, SCE will enhance existing
7 outreach strategies and improve its processes in order to increase efficiency and enroll and retain
8 customers who wish to participate in the program.

9 **D. Measurement and Evaluation**

10 Developing updated CARE eligibility and penetration estimates for the IOUs is an annual task
11 with an estimated total cost of \$45,000 per year. SCE's 30% share of this cost will be \$13,500 per year.
12 Additionally, SCE plans to carry out monthly participation/penetration reporting and supplemental
13 penetration and eligibility analyses from 2009 through 2011 at an annual cost of \$30,000. The monthly
14 reporting is required by the Commission. The supplemental analyses help CARE program staff to target
15 a variety of CARE outreach activities and to respond to any external data requests arising from
16 Commission proceedings. Finally, the Measurement and Evaluation (M&E) staffing cost for managing
17 all of these activities is estimated at \$12,500 per year. As such, SCE's annual CARE M&E budget is
18 \$56,000 for each year, 2009, 2010 and 2011.

Table IV-11
Annual Measurement & Evaluation of CARE Program - SCE

Statewide Studies – Contract Costs	Total Cost	SCE Share	SCE Cost
Annual CARE Eligibility/Penetration Estimates	\$45,000	30%	\$13,500
SCE-Specific Activities			
Monthly Participation/Penetration Reports and Supplemental Penetration/Eligibility Analyses	\$30,000	100%	\$30,000
SCE labor for analysis and study/data management	\$12,500	100%	\$12,500
Total			\$56,000

19 **E. Regulatory Compliance**

20 SCE expects to require funding of \$135,000 in 2009, \$140,000 in 2010, and \$145,000 in 2011
21 for regulatory compliance activities within SCE's CARE program management organizations. SCE

1 expects regulatory compliance activities and legal support for CARE to include preparation of
2 applications, advice filings, tariff revisions, comments and reply comments on Commission decisions
3 and reports, preparing responses to data requests, submittal of monthly filings to the Commission, and
4 attendance at working group meetings, Low-Income Oversight Board meetings, and public input
5 meetings.

6 **F. General Administration**

7 SCE estimates \$864,000 in 2009, \$905,000 in 2010, and \$948,000 in 2011 for SCE to provide
8 administrative support and provide management oversight for the CARE program. Within this cost
9 category, SCE includes funding for personnel that administer and manage the program, prepare monthly
10 and annual reports for the Commission, respond to data requests, plan and analyze various program
11 outreach, enrollment, and retention strategies, evaluate and propose system enhancements, and oversee
12 business resources in communicating with customers. Other CARE costs within this category include
13 expenditures for office supplies, maintenance of desktop computers, printing hardware, software,
14 internal business resource services, conference attendance, training, and other miscellaneous expenses.

15 SCE also requests that administrative costs for the FERA program be reported in this category
16 for ultimate recovery as described in Section VI.B. of this Chapter. Since the creation of the FERA
17 program, SCE has been recovering administrative costs through the FERA Balancing Account. As of
18 March 31, 2008, SCE had approximately 1,044,000 CARE customers, and 21,000 FERA customers.
19 The programs are marketed jointly, and customers apply for CARE/FERA on a single application. The
20 customer is placed on either CARE or FERA according to the data that is entered on the application.
21 FERA and CARE are administered jointly by SCE based on the interlocking program design, income
22 guidelines, and intake process for the two tariffs. In many cases it is not possible to separately allocate
23 actual expenditures for the two programs. As costs charged to the FERA balancing account have been
24 less than \$100,000 annually, SCE is proposing to eliminate the FERA balancing account and recover the
25 FERA administrative costs subject to the appropriate reasonableness provisions within the CARE
26 balancing account.

1 **G. Commission Energy Division Staff**

2 In its funding request, SCE includes its share of funding for the Commission’s Energy Division
3 personnel who oversee implementation of the CARE program. On May 5, 2008, the Energy Division
4 provided the Joint Utilities a placeholder request of \$980,000 annually for 2009, 2010 and 2011 for
5 LIEE and CARE. According to the Commission’s allocation guidelines among the IOUs and between
6 LIEE and CARE,⁵⁰ SCE would be responsible for \$206,000 per year in 2009, 2010 and 2011.

7 **V.**

8 **OUTREACH**

9 **A. Section 8 Housing**

10 In D.07-12-051, the Commission directs the utilities to “[p]ropose a process for automatically
11 qualifying all tenants of public housing and tenants of Section 8 housing improving information to
12 public housing authorities.”⁵¹ The Commission found that “[C]ustomers who live in public housing
13 have provided government officials with documentation of their low-income status,”⁵² and concluded
14 that “[T]he utilities should automatically qualify for CARE discounts those customers who live in public
15 housing because they have already demonstrated to public officials their low-income status.”⁵³

16 While supporting automatic qualification for public housing, the Commission acknowledged
17 concerns that some tenants of Section 8 housing may have incomes that substantially exceed the income
18 levels that would qualify customers for LIEE programs and therefore the Commission encouraged the
19 utilities to better coordinate with public housing to maximize opportunities on their properties.⁵⁴

20 The U.S. Department of Housing and Urban Development (HUD) administers federal aid to
21 local agencies that manage affordable housing for low-income residents. Two types of subsidies are
22 offered in California: Section 8 and Public Housing. Section 8 voucher and certificate programs

⁵⁰ D.00-02-045, Ordering Paragraphs 9-10.

⁵¹ D. 07-12-051, Ordering Paragraph 4.

⁵² D. 07-12-051, Finding of Fact 24.

⁵³ D. 07-12-051, Conclusion of Law 11.

⁵⁴ D. 07-12-051, footnote 60.

1 provide rental assistance outside of a public housing unit and are administered by public housing
2 agencies. HUD provides funding to Public Housing Authorities (PHAs), who in turn qualify tenants for
3 the program, issue a voucher or certificate that indicates to a landlord that the agency will pay a portion
4 of the tenant's rental cost and make payment to the landlord for such portion.

5 Qualifications for the two types of programs are based on policies set by HUD. Eligibility is
6 based on household size and income and must fall within guidelines set by HUD based on the federal
7 Area Median Income estimates of the county for each state. These guidelines are updated each fiscal
8 year. Enrollment and benefits under PHA programs are based on income eligibility limits set at 30%
9 (Extremely-Low), 50% (Very-Low) and 80% (Low) of the Area Median Income.

10 In discussions with PHAs on implementing an automatic enrollment process through data
11 sharing, the issue of confidentiality proved to be an obstacle. There are various rules and regulations
12 governing confidentiality in housing. PHAs are unable to disclose any applicant/resident information,
13 that is of a personal, private, and confidential nature, directly or indirectly, to any person or use such
14 information in any way without the written consent of the tenant. Due to these confidentiality issues,
15 automatic enrollment through data sharing cannot be achieved without legislative intervention.

16 Alternatively, consideration has been given to "categorical" eligibility for PHA tenants; only two
17 thresholds (30% and 50% of Area Median Income) fall within LIEE guidelines. Therefore, assigning
18 categorical eligibility status to all PHA tenants cannot be accomplished. In addition to those tenants
19 qualifying for PHA benefits at 80% of Area Median Income a significant number of Northern California
20 counties have income limits at 50% of Area Median Income that exceed LIEE income guidelines.
21 Assigning categorical eligibility to PHA tenants at 30% Area Median Income was considered an option
22 but PHA tenant confusion as to their eligibility based on PHA guidelines prevents categorical eligibility
23 to be a viable option.

24 Discussions with PHAs have centered on an administrative function within PHA volunteering to
25 enroll tenants in both CARE and LIEE. Because CARE and LIEE benefit both tenants and PHAs,
26 integration of the CARE/LIEE application process within the PHA intake process is seen as the most
27 viable option. As tenants apply for PHA assistance, CARE and LIEE applications will be processed

1 ensuring that customers at the 30% Area Median Income guidelines are enrolled and those at the 50%
2 AMI that meet CARE/LIEE guidelines are also enrolled. The integration of the CARE/LIEE application
3 into the PHA intake process will also prevent tenants whose incomes exceed CARE/LIEE guidelines
4 from receiving benefits. Utilities will work with PHAs within their service territories to integrate the
5 CARE/LIEE applications into the enrollment and intake process of PHAs within their respective areas.

6 **B. Outreach Plans**

7 In 2009-2011, SCE will continue to use all effective means to outreach to all eligible customers
8 who are not yet participating, but wish to participate, in CARE. SCE's outreach plans will include
9 activities such as the Capitation Fee Project and other outreach as described in the following sections.
10 SCE estimates outreach expenditures of \$2,400,000 in 2009, \$2,200,000 in 2010, and \$2,200,000 in
11 2011. SCE will track performance whenever possible with the use of source codes on CARE
12 applications. This will enable SCE to refine its outreach efforts to maximize effectiveness.

13 **1. Capitation Fee Project**

14 Under the Capitation Fee Project, SCE pays a capitation fee to entities for each new
15 customer they help enroll in SCE's CARE program. The capitation fee is used to reimburse entities for
16 the incremental amount associated with assisting customers in completing an SCE CARE application,
17 generally while the customer is receiving other low-income services and/or information from that entity.

18 In 2007, the Capitation Fee Project enrolled more than 2,144 customers in CARE. In
19 2008 (through April 2008), over 14,397 customers were enrolled through the Capitation Fee Project.
20 SCE will continue the Capitation Fee Project in 2009, 2010, and 2011 because it has found that the face-
21 to-face contact between outside organizations/agencies and their clients is successful in reaching and
22 assisting customers who may not be aware of CARE through other mass-market outreach methods.
23 Even with the complete roll out of automatic enrollment to all partner agencies, SCE believes that there
24 will still be a need for reaching the hardest-to-reach customers who are eligible but are not participating
25 in CARE (or other State programs). The Capitation Fee Project is an important and essential tool for
26 contacting such customers and enrolling them in CARE.

1 **2. Grassroots Outreach**

2 SCE will continue its CARE grassroots outreach in 2009-2011. SCE has worked
3 extensively to promote CARE with CBOs, non-profit organizations, city councils and staff, chambers of
4 commerce, small businesses, senior centers, and legislative offices. SCE has also promoted the CARE
5 Capitation Fee Project to CBOs and has mobilized employee volunteers, many of them bilingual, to staff
6 community booths at various gatherings (e.g. festivals and shows).

7 The implementation of SCE’s “real time” online enrollment, recertification, and de-
8 enrollment applications has increased activity within SCE’s CARE Capitation Fee Project. With the
9 implementation of the “real time” online applications, SCE has streamlined CARE and FERA
10 application submittal and expedited payments to CBOs participating in the CARE Capitation Fee
11 Project.

12 Since SCE’s implementation of online applications on November 15, 2007, 13,280
13 CARE customers have been enrolled by capitation agencies via the online application through March
14 31, 2008. In addition, 394 CARE customers have been recertified on-line.

15 **3. Advertising, Marketing, and Communication**

16 Continuing its efforts to enroll all CARE-eligible customers who wish to participate in
17 the program, SCE will use a multifaceted outreach approach that incorporates a marketing plan. This
18 plan continues proven techniques and tests new ones to maximize enrollment. These include:

19 a) Targeted Mailings

20 SCE plans to continue to develop targeted communications aimed at low-
21 penetration, hard-to-reach areas, and multilingual communities to enroll eligible customers.

22 b) In-Language Communications

23 As ethnic populations in SCE’s service territory continue to grow,
24 communications in customers’ native languages will be an important factor in enrolling non-English
25 speaking customers. Ethnic communications have been developed to accommodate the native languages
26 of SCE’s customers, including Spanish, Chinese, Korean, Cambodian, and Vietnamese.

1 In addition, SCE’s “real time” online applications are available in English,
2 Chinese, Korean, and Vietnamese. Moreover, the online enrollment applications include large-font
3 capability for SCE’s visually-impaired customers.

4 c) [Print, TV, and Radio](#)

5 SCE will enhance the use of advertising in print, TV, and radio to particularly
6 focus on reaching ethnic communities, including African American, Chinese, Korean, Vietnamese, and
7 Cambodian communities. The planned communication media includes TV, radio, newspapers, movie
8 theatres, journals and other publications.

9 d) [Collateral Materials](#)

10 SCE uses its “CARE Showcase Presentation” comprehensive package that
11 includes a folder, CARE overview guide, a questions and answers sheet, a formal presentation, and a
12 Capitation Fee Enrollment Sheet, to provide to prospective capitation agencies.

13 SCE also uses its “Event Tool Kit,” which includes promotion tips, a CARE
14 application, fliers, posters, and table-top displays to provide additional resources to help promote the
15 CARE program.

16 Additionally, a new CARE video was developed to provide SCE’s non-reading
17 customers with information that they may not otherwise receive. This tool has been developed in
18 English, Chinese, Korean, Vietnamese, Cambodian, and Spanish.

19 e) [Bill Messaging and Inserts](#)

20 SCE will continue its use of bill inserts and bill messages, and will also look into
21 the feasibility of adding additional bill inserts or bill messages to customer bills in communities where
22 demographic information shows there may be a large number of eligible but non-participating
23 customers.

24 In 2007, SCE initiated a quarterly bill message that notified CARE customers of
25 their participation in the program, and will continue this practice into the 2009-2011 program cycle.

1 collected CBA balance, or returns the over-collected CBA balance through the operation of the
2 PPPAM.⁵⁶

3 **2. Elimination of the Family Energy Rate Assistance Balancing Account (FERABA)**

4 Pursuant to D.04-02-057, the original purpose of the FERABA was to record FERA-
5 related program administrative costs and revenue shortfalls that resulted from charging FERA eligible
6 customers Tier 2 electricity rates for their Tier 3 usage. Upon implementation of SCE's General Rate
7 Case (GRC) Phase 2 rate levels, effective April 2005, rates were designed to recover revenue shortfalls
8 from non-FERA eligible customers, eliminating the need to record these shortfalls in the FERABA.

9 Currently, only FERA-related Operation & Maintenance (O&M) administrative program
10 costs are recorded in the FERABA. FERA-related O&M administrative costs were to be recorded in the
11 FERABA until these amounts were recovered through SCE's 2006 GRC authorized revenue
12 requirement. On May 11, 2006, the Commission issued D.06-05-016, the 2006 GRC Phase 1 Decision
13 and the FERA-related O&M costs were not included in the authorized GRC revenue requirement.
14 Therefore, SCE has continued to record FERA-related O&M costs in the FERABA.

15 SCE proposes to include the FERA-related O&M administrative funding in the
16 authorized CARE administrative revenue requirement. SCE also proposes to record actual FERA-
17 related expenses in the CBA. Therefore, in the CBA, SCE will compare the authorized CARE revenue
18 requirement, which will include the authorized FERA revenue requirement, with actually incurred
19 CARE expenses, which will include FERA expenses.

20 Upon a final Commission decision in this proceeding approving SCE's proposal to
21 include the annual FERA funding in the authorized CARE revenue requirement, SCE proposes to 1)
22 transfer the recorded December 31, 2008 FERABA balance to the PPPAM balancing account and 2)
23 eliminate Preliminary Statement, Part Z, FERABA.

⁵⁶ The estimated December 31st balance recorded in the PPPAM is consolidated into PPPC revenue requirements and
PPPC retail rate levels in SCE's annual ERRA Forecast proceedings.

1 **VII.**

2 **REQUEST TO CONTINUE FUNDING AND ALLOW FOR FUND SHIFTING**

3 As with its LIEE request, SCE requests flexibility to reallocate funding among budget categories
4 as required to meet CARE goals and objectives. This flexibility and the two-way balancing account
5 afford the utilities the best tools to efficiently operate the program and achieve the Commission’s goal of
6 reaching 100% of low-income customers who are eligible for, and desire to participate in, the CARE
7 program. For example, if an information technology project is suspended for any reason and additional
8 marketing is needed in a hard-to-reach area with low CARE penetration, SCE would be authorized to
9 reallocate funds from IT to Outreach.

10 **VIII.**

11 **CONCLUSION**

12 SCE requests approval of its 2009, 2010, and 2011 program budgets, plans and ratemaking for
13 the CARE programs. Specifically, SCE requests:

- 14 • Approval of \$5,541,000 in 2009, \$5,412,000 in 2010 and \$5,485,000 in 2011 for CARE
15 program administration;
- 16 • Approval to reallocate funding among CARE budget categories as changed conditions
17 warrant to meet CARE goals and objectives;
- 18 • Approval of new CARE processes described in this Testimony;
- 19 • Approval to include the annual FERA related administrative funding in the authorized CARE
20 revenue requirement, and transfer the recorded December 31, 2008 FERABA balance to the
21 PPPAM balancing account, and eliminate Preliminary Statement, Part Z, FERABA; and
- 22 • Authorization to fund CARE activities in 2009 using proposed 2009 program funds in the
23 event of Commission delay in issuing a decision of SCE’s 2009-2011 Application.

1 **CHAPTER 3 – COOL CENTER PROGRAM**

2 SCE submits this Testimony in support of its Application requesting approval of its 2009, 2010,
3 and 2011 Cool Center program plans, program budgets, and proposed ratemaking treatment.

4 **I.**

5 **INTRODUCTION**

6 In the extreme climate areas of SCE’s service territory, the ability to find relief from the heat has
7 a major impact on comfort, health, and safety, particularly for SCE’s low-income, elderly, and disabled
8 customers. SCE’s 2009-2011 Cool Center program proposals are designed to provide services to
9 communities located in extreme climate areas where few public facilities are available for use to offer
10 relief from the heat during the hot summer months. SCE’s proposed program matches the design and
11 scope of the Commission-approved 2008 Cool Center program.

12 **II.**

13 **BACKGROUND**

14 The Cool Center program originated in 2001, when a task force of CBOs from San Bernardino
15 and Riverside Counties forwarded to the Commission four unsolicited proposals to establish 29 Cool
16 Center sites in the Inland Empire. The purpose of the Cool Centers is to provide low-income, senior,
17 and disabled residents an alternative to running their refrigerated air-conditioning systems by providing
18 a safe, cool place where they can gather during the hot summer months. Cool Centers also provide a
19 place for the target population to learn about low-income programs such as CARE and LIHEAP, energy
20 efficiency programs such as LIEE, energy conservation practices, and other available community
21 programs. SCE ran its Cool Center program in the summers of 2001 through 2004. SCE was unable to
22 run its Cool Center program in 2005 due to the program changes set forth by the Commission in D.05-
23 04-052.⁵⁷

⁵⁷ In D.05-04-052, the Commission eliminated the following budget categories from SCE’s 2005 Cool Center Program proposal (which were previously permitted in SCE’s 2001-2004 Cool Center Programs), leaving only \$95,000 to run the 2005 program: rent, utilities, insurance, janitorial services, other overhead costs, transportation (bus passes, vehicle rental, fuel costs), staffing at Cool Centers, as well as snacks and beverages for Cool Center attendees. SCE contacted its active Cool Center operators to discuss the program changes that were directed by the Commission, and all program

(Continued)

1 In D.05-12-026, in which the Commission approved 2006 low-income assistance programs and
2 funding, the Commission stated that its “goal in D.05-04-052 was to reduce the cost of running these
3 Cool Centers, not to shut them down.”⁵⁸

4 In accordance with D.05-12-026, SCE complied with the Commission’s request and worked with
5 past Cool Center contractors, DRA, the Low-Income Oversight Board, and others to develop a 2006
6 Cool Center program. On June 7, 2006, SCE filed Advice 2011-E, seeking the Commission’s
7 authorization to establish a Cool Center program in SCE’s desert communities for the summer of 2006
8 with a budget of \$556,000. On June 19, 2006, the Commission approved Advice 2011-E.

9 On December 14, 2006, the Commission issued D.06-12-038, which among other things,
10 adopted SCE’s Cool Center program and budgets for 2007 and 2008 with funding of \$556,000 for each
11 year.

12 III.

13 2009-2011 COOL CENTER PROGRAM PLANS AND BUDGETS

14 SCE’s 2009-2011 Cool Center program proposals are designed to continue to provide services to
15 communities located in extreme climate areas where few public facilities are available for use to offer
16 relief from the heat during the hot summer months.

17 SCE expects to provide the Cool Center activities at a cost of \$777,000 in 2009 (which provides
18 for an evaluation of the Cool Center program); \$742,000 in 2010; and \$792,000 in 2011. SCE
19 anticipates that this proposed budget will fund approximately 20 Cool Centers in the target communities,
20 including the expansion of Cool Centers into the San Joaquin Valley.

21 Whenever possible, SCE will contract with its past site operators to maximize opportunities to
22 reduce costs through use of existing infrastructure, equipment, and expertise. In some areas, SCE may
23 find it more efficient to work with new CBOs that are located in these communities.

operators declined participation due to the new limitations on eligible expense categories for reimbursement and concern over income qualifying Cool Center attendees.

⁵⁸ D.05-12-026, p. 12.

1 The 2009-2011 Cool Centers will allow targeted low-income, seniors, and disabled populations,
2 who least can afford high energy costs, to visit a Cool Center in lieu of cooling their own homes in an
3 attempt to alleviate their home electrical usage, reduce their energy bills, and provide comfort. The
4 Cool Centers will provide a place for the target population to learn about low-income and energy
5 efficiency programs, energy conservation, and other available community programs.

6 SCE has identified communities in San Bernardino and Riverside County locations that meet the
7 criteria for Cool Centers. These include: Adelanto, Blythe, Hesperia, Highgrove, Highland, Joshua
8 Tree, Landers, Palm Desert, Perris, Redlands, Rubidoux, San Bernardino, and Yucaipa. SCE also
9 desires to expand Cool Center locations into the San Joaquin Valley, another area of SCE's service
10 territory with an extremely hot climate. SCE anticipates the 2009 through 2011 Cool Center program
11 operating from June 1, through October 15 of each year. SCE proposes that the minimum hours of
12 operation for each Cool Center site shall be 10:00 a.m. to 5:00 p.m., Monday through Friday. SCE
13 further proposes that all Cool Center site locations shall be accessible to persons with disabilities.

14 Attachment D-1 contains a copy of SCE's proposed standard Statement of Work for the Cool
15 Center program, which identifies the tasks necessary to be performed. Attachment D-2 is the 2009
16 through 2011 Cool Center Program Operations Plan and Budget, which is required for each Cool Center
17 under consideration and includes a description of the types of program expenditures that can be
18 reasonably charged to the program.

19 **A. SCE's Proposed 2009-2011 Cool Center Program Activities and Cost Estimates**

20 Table III-12 below represents the costs associated with the 2009 through 2011 Cool Center
21 programs. These expense categories have been used as a part of the Cool Center operations plan and
22 budget since 2002 and have helped with the oversight of each Cool Center as well as the overall
23 program operations.

Table III-12
Proposed Cool Center Program Budgets for 2009 through 2011 - SCE

Category	Description of Expenditures	Budget (\$000)		
		2009	2010	2011
Oversight	Labor costs for planning and management oversight. Review and reconciliation of monthly expenditure and operations reports, facilitating payments, ensuring program guidelines are adhered to, providing training, tracking data, and preparing management reports.	\$202	\$202	\$202
Marketing	Costs associated with providing prepared press releases for local publications and standardized scripts for electronic media in the Cool Center areas, providing standardized signage to identify Cool Centers from the street, and utilizing resources to permit SCE to advertise the availability of the Cool Centers.	\$20	\$15	\$15
Measurement and Evaluation	Evaluation of the program by an independent evaluation contractor.	\$80	\$0	\$0
Administrative	Incremental costs for janitorial, insurance, office supplies, rent, bookkeeping, photocopying, management oversight, and other miscellaneous administrative expenses. Incremental costs are those costs that would not have been incurred by the Agency but for the operation of the Cool Center. <u>Exclusions:</u> Capital items such as, but not limited to, furniture, appliances, computers and peripherals, and electronic entertainment equipment, are not covered by the Cool Center program.	\$139	\$154	\$169
Utilities	Proportional electricity costs for area used for Cool Center activities.	\$49	\$54	\$59
Supplies	Supplies for activities at the Cool Centers.	\$11	\$12	\$13
Outreach/Education	Printing and distribution of informational materials such as flyers, brochures, and banners, events promoting the availability of Cool Centers, and educational workshops or other assistance to inform Cool Center participants about energy conservation, low-income programs, and other community programs. Entertainment and food used for events specifically used to outreach for the Cool Center, only if pre-approved by the SCE Cool Center Program Manager. <u>Note:</u> SCE will provide some materials concerning its other energy efficiency and low-income programs for distribution to Cool Center participants.	\$27	\$29	\$33
Transportation	Bus passes, vehicle rental, and fuel costs to provide transportation for the target populations only. <u>Exclusions:</u> Costs to transport participants who are not among the target population or to pay for non-Cool Center vehicle operation, and mileage associated with rental vehicles (unless charges are included in the rental contract), are not covered by the Cool Center program.	\$11	\$12	\$13
Staff	Prorated compensation for existing on-site staff members to provide direct support of Cool Center activities at a location; and/or full compensation for incremental staff persons dedicated to Cool Center activities. Costs can include payroll taxes if properly identified. <u>Exclusions:</u> Costs for management or administrative personnel not directly not directly involved with providing Cool Center services,	\$215	\$238	\$260

	but who provide incremental administrative or oversight services that would not be required but for the Cool Center, should be included under the “Administrative” category. Costs for volunteer personnel are not covered by the Cool Center program.			
Refreshments	Incremental costs for items such as bottled water, coffee, tea, punch, cookies, crackers, pretzels, or other light snacks. <u>Exclusions:</u> Food purchases that could be construed as providing full meals for participants are not considered refreshments for daily Cool Center activities. They may be considered a cost for an outreach event if they fall within the guidelines set forth in the “Outreach/Education” section.	\$23	\$26	\$28
Total		\$777	\$742	\$792

IV.

PROCESS EVALUATION OF THE COOL CENTER PROGRAM

A. Background

SCE proposes a process evaluation of its Cool Center program for program year 2009. In light of the primary program objectives in 2009, the evaluation will assess the activities covered by program funding, the cost of the program, the number of customers participating, and the outcomes of their participation, including the number of customers who signed up for the CARE program as a result of their use of the Cool Centers. The evaluation will also summarize the key changes that occurred from 2006 to 2009 and their impacts on the program.

B. Study Rationale

D.05-04-052 required that utilities offering Cool Center programs in 2005 submit proposals for the evaluation of these programs. Since SCE did not offer the Cool Center program in the summer of 2005, no proposal was submitted. However, because the Cool Center program restarted in 2006, continued in 2007, and will operate in 2008 and beyond, SCE believes that a rich source of untapped program performance data is available to measure the program effectiveness and determine what changes would benefit the program. Furthermore, in 2009 it will have operated for more than three years without a process evaluation. The *California Energy Efficiency Evaluation Protocols* state that

1 “most programs will have at least one process evaluation within each program funding cycle (e.g., 2006-
2 2008),”⁵⁹

3 **C. Study Methods**

4 A process evaluation involves gathering available documentation on the program (e.g., utility
5 filings requesting authorization of the program, Commission decisions authorizing the program,
6 program contracts, program marketing materials, program financial and activity records, etc.) and
7 conducting interviews with the utility program manager and the implementers to gain a full
8 understanding of the program’s purposes and how it operates. Evaluators usually survey a sample of the
9 program participants and often a sample of non-participants also, to learn what benefits participants
10 gained from participating, what barriers non-participants found to participating, and what both believe
11 could make the program more helpful to them. Because the Cool Centers program operates at multiple
12 sites managed by different implementers, the evaluation must gather data for at least a good sample of
13 the sites in order to provide generalizable results. The evaluators use all of this information, in
14 combination with their knowledge of design and operations of similar programs, to assess the efficiency
15 and effectiveness of the program and to make recommendations for ways to improve program design
16 and operation.

17 **D. Study Outcome**

18 Fundamentally, the expected outcome of the study is information that will improve the
19 effectiveness of the Cool Center program. By tracking and evaluating key program parameters, program
20 planners can make appropriate changes as needed to improve program cost-effectiveness and delivery,
21 and other customer benefits.

⁵⁹ *California Energy Efficiency Evaluation Protocols*, April 2006, p. 133, adopted by the Commission. Low-income programs were not required to meet these protocols, but more recent Commission ruling shave mandated that low-income program evaluations strive for consistency with these protocols.

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V.

PROPOSED RATEMAKING TREATMENT

Consistent with Advice 2011-E and D.06-12-038, as modified by D.07-06-004, SCE proposes to continue to record the 2009-2011 Cool Center program expenses to the PPPAM by modifying Preliminary Statement, Part FF, PPPAM, to record up to \$777,000 in 2009; \$742,000 in 2010; and \$792,000 in 2011 in incremental Cool Center program costs associated with implementing the 2009, 2010 and 2011 Cool Center programs.

The PPPAM balance is consolidated in SCE's PPC revenue requirement and included in PPC rate levels in SCE's annual ERRA forecast proceeding.

The Cool Center program costs may be reviewed by the Commission, along with all entries recorded in the PPPAM, in SCE's April 1 ERRA reasonableness application. As stated above, SCE proposes that the Commission modify the PPPAM to record all incremental Cool Center program-related expenses incurred during the summers of 2009 and 2010 and 2011, not to exceed \$777,000 in 2009; \$742,000 in 2010; and \$792,000 in 2011

VI.

REQUEST TO CONTINUE FUNDING AND ALLOW FOR FUND SHIFTING

SCE has presented a detailed breakdown of the administration and implementation costs that are expected to be incurred in operating the Cool Centers in 2009, 2010, and 2011. SCE requests full authority to shift funds among program categories in 2009, 2010, and 2011 in order to meet the needs of the program delivery contractors and meet unexpected needs and opportunities to deliver and improve upon the program.

Additionally, if the Commission should be delayed in issuing a decision on SCE's Application, SCE requests interim authorization from the Commission to continue Cool Center activities as necessary in order to be able to timely implement the Cool Centers in the summer of 2009. Costs incurred prior to the summer are expected to be limited primarily to oversight activities.

1 **VII.**

2 **CONCLUSION**

3 SCE requests approval of its 2009, 2010, and 2011 program budgets, plans and ratemaking for
4 the Cool Center program. Specifically, SCE requests:

- 5 • Approval of \$777,000 in 2009; \$742,000 in 2010; and \$792,000 in 2011 for Cool Center
6 program administration and implementation;
- 7 • Approval to reallocate funding among Cool Center budget categories as changed conditions
8 warrant to meet Cool Center goals and objectives; and
- 9 • Authorization to fund Cool Center activities in 2009 using proposed 2009 program funds in
10 the event of Commission delay in issuing a decision on SCE's 2009-2011 Application.

11

Attachment A-1

LIEE Budget

	A	B	C	D	E	F
1	PY 2009-2011 LIEE Proposed Electric & Gas Budget					
2	Southern California Edison					
3						
4		Authorized ⁽¹⁾	Planned			3-Year Request
5		PY 2008	PY 2009	PY 2010	PY 2011	PY 2009 - 2011
6	LIEE Program:					
7	Energy Efficiency					
8	- Gas Appliances	\$ -				
9	- Electric Appliances	\$ 26,642,414	\$ 37,431,000	\$ 38,431,000	\$ 40,431,000	\$ 116,293,000
10	- Weatherization	\$ 585,011	\$ 482,000	\$ 482,000	\$ 482,000	\$ 1,446,000
11	- Outreach & Assessment	\$ 1,856,227	\$ 7,249,000	\$ 7,249,000	\$ 7,249,000	\$ 21,747,000
12	- In Home Education	\$ 429,736	\$ 2,182,000	\$ 2,182,000	\$ 2,182,000	\$ 6,546,000
13	- Education Workshops	\$ -				
14	- Pilot	\$ -				
15	Energy Efficiency Total	\$ 29,513,388	\$ 47,344,000	\$ 48,344,000	\$ 50,344,000	\$ 146,032,000
16						
17	Training Center	\$ 150,000	\$ 265,000	\$ 265,000	\$ 265,000	\$ 795,000
18	Inspections	\$ 232,675	\$ 872,000	\$ 872,000	\$ 872,000	\$ 2,616,000
19	Marketing	\$ 350,000	\$ 475,000	\$ 475,000	\$ 475,000	\$ 1,425,000
20	M&E Studies	\$ 260,000	\$ 327,000	\$ 365,000	\$ 90,000	\$ 782,000
21	Regulatory Compliance	\$ 226,700	\$ 339,000	\$ 350,000	\$ 362,000	\$ 1,051,000
22	General Administration	\$ 2,699,617	\$ 3,884,000	\$ 4,024,000	\$ 4,137,000	\$ 12,045,000
23	CPUC Energy Division	\$ 45,000	\$ 88,000	\$ 88,000	\$ 88,000	\$ 264,000
24						
25	TOTAL PROGRAM COSTS	\$ 33,477,380	\$ 53,594,000	\$ 54,783,000	\$ 56,633,000	\$ 165,010,000
26	Funded Outside of LIEE Program Budget					
27	NGAT Costs					
28						
29	⁽¹⁾ Includes Authorized Budget in D.07-06-004, and carryover funds from year-end 2007 that are available in 2008.					

	A	B	C	D	E	F
1	PY 2009-2011 LIEE Electric Budget Category Comparison					
2	Southern California Edison					
3						
4		Authorized ⁽¹⁾	Planned			3-Year Request
5		PY 2008	PY 2009	PY 2010	PY 2011	PY 2009 - 2011
6	LIEE Program:					
7	Energy Efficiency					
8	- Gas Appliances	\$ -				
9	- Electric Appliances	\$ 26,642,414	\$ 37,431,000	\$ 38,431,000	\$ 40,431,000	\$ 116,293,000
10	- Weatherization	\$ 585,011	\$ 482,000	\$ 482,000	\$ 482,000	\$ 1,446,000
11	- Outreach & Assessment	\$ 1,856,227	\$ 7,249,000	\$ 7,249,000	\$ 7,249,000	\$ 21,747,000
12	- In Home Education	\$ 429,736	\$ 2,182,000	\$ 2,182,000	\$ 2,182,000	\$ 6,546,000
13	- Education Workshops	\$ -				
14	- Pilot	\$ -				
15	Energy Efficiency Total	\$ 29,513,388	\$ 47,344,000	\$ 48,344,000	\$ 50,344,000	\$ 146,032,000
16						
17	Training Center	\$ 150,000	\$ 265,000	\$ 265,000	\$ 265,000	\$ 795,000
18	Inspections	\$ 232,675	\$ 872,000	\$ 872,000	\$ 872,000	\$ 2,616,000
19	Marketing	\$ 350,000	\$ 475,000	\$ 475,000	\$ 475,000	\$ 1,425,000
20	M&E Studies	\$ 260,000	\$ 327,000	\$ 365,000	\$ 90,000	\$ 782,000
21	Regulatory Compliance	\$ 226,700	\$ 339,000	\$ 350,000	\$ 362,000	\$ 1,051,000
22	General Administration	\$ 2,699,617	\$ 3,884,000	\$ 4,024,000	\$ 4,137,000	\$ 12,045,000
23	CPUC Energy Division	\$ 45,000	\$ 88,000	\$ 88,000	\$ 88,000	\$ 264,000
24						
25	TOTAL PROGRAM COSTS	\$ 33,477,380	\$ 53,594,000	\$ 54,783,000	\$ 56,633,000	\$ 165,010,000
26	Funded Outside of LIEE Program Budget					
27	NGAT Costs					
28						
29	⁽¹⁾ Includes Authorized Budget in D.07-06-004, and carryover funds from year-end 2007 that are available in 2008.					

	A	B	C	D	E	F
1	PY 2009-2011 LIEE Gas Budget Category Comparison					
2	Southern California Edison					
3						
4		Authorized ^[1]	Planned			3-Year Request
5		PY 2008	PY 2009	PY 2010	PY 2011	PY 2009 - 2011
6	LIEE Program:					
7	Energy Efficiency					
8	- Gas Appliances					
9	- Electric Appliances					
10	- Weatherization					
11	- Outreach & Assessment					
12	- In Home Education					
13	- Education Workshops					
14	- Pilot					
15	Energy Efficiency Total					
16						
17	Training Center					
18	Inspections					
19	Marketing					
20	M&E Studies					
21	Regulatory Compliance					
22	General Administration					
23	CPUC Energy Division					
24						
25	TOTAL PROGRAM COSTS					
26	Funded Outside of LIEE Program Budget					
27	NGAT Costs					
28						
29	^[1] Includes Authorized Budget in D.07-06-004, and carryover funds from year-end 2007 that are available in 2008.					

Attachment A-2

LIEE Planning Assumptions

	A	B	C	D	E	F	H	I	J	K	M	N	O	P	R	S	T	U	W			
1	PY 2009 - 2011 LIEE Planning Assumptions																					
2	Southern California Edison																					
3																						
4	Measures*	2009-2011 Impact Estimates Units & Source	PY 2008 Authorized ¹²				PY 2009 Planned				PY 2010 Planned				PY 2011 Planned							
5			Quantity Installed	Annual		Projected Expenses	Quantity Installed	Annual		Projected Expenses	Quantity Installed	Annual		Projected Expenses	Quantity Installed	Annual		Projected Expenses				
6				kWh	kW			kWh	kW			kWh	kW			kWh	kW					
7	Heating Systems																					
8	Furnaces	Each			0	0		418		0	0	501,565	418		0	0	501,565	418		0	0	501,565
9	Cooling Measures																					
10	A/C Replacement - Room	Each	[1]	1,011	231,607	51	778,052	839	97,346	115	632,317	839	0	0	632,317	839	0	0	632,317			
11	A/C Replacement - Central	Each	[6]	1,783	519,655	107	5,832,692	4,080	2,443,904	3,508	12,314,262	4,580	2,463,454	3,611	13,314,262	5,580	2,502,568	3,818	15,314,262			
12	A/C Tune-up - Central	Each		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
13	A/C Services - Central	Each	[3]	1,500	405,000		225,000	1,500	1,615,373	1,160	225,000	1,500	1,615,373	1,160	225,000	1,500	1,615,373	1,160	225,000			
14	Heat Pump	Each	[4]	192	55,958	12	433,810	100	79,988	32	301,867	100	79,988	32	301,867	100	79,988	32	301,867			
15	Evaporative Coolers	Each	[1]	6,710	1,912,751	403	5,901,702	8,005	1,732,946	364	6,882,859	8,005	1,732,946	364	6,882,859	8,005	1,732,946	364	6,882,859			
16	Evaporative Cooler Maintenance	Each	[5]	4,000	217,520	40	300,000	2,000	96,010	0	150,000	2,000	96,010	0	150,000	2,000	96,010	0	150,000			
17	Infiltration & Space Conditioning																					
18	Envelope and Air Sealing Measures ¹⁰	Home	[1]	1,336	12,811	0	[13]	1,377	72,661	285	481,836	1,377	72,661	285	481,836	1,377	72,661	285	481,836			
19	Duct Sealing	Home	[6]	0	0	0	[13]	3,986	1,101,456	1,568	757,287	3,986	1,101,456	1,568	757,287	3,986	1,101,456	1,568	757,287			
20	Attic Insulation	Home		2	1,590	0	[13]	0	0	0	0	0	0	0	0	0	0	0	0			
21	Water Heating Measures																					
22	Water Heater Conservation Measures ¹¹	Home	[1]	1,192	96,115	24	[13]	1,376	411,662	90	125,216	1,376	411,662	90	125,216	1,376	411,662	90	125,216			
23	Water Heater Replacement - Gas	Each		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
24	Water Heater Replacement - Electric	Each		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
25	Tankless Water Heater - Gas	Each		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
26	Tankless Water Heater - Electric	Each		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
27	Lighting Measures																					
28	CFLs	Each	[1]	194,127	4,290,197	0	1,482,642	277,431	4,438,880	555	1,205,829	277,431	4,438,880	555	1,205,829	277,431	4,438,880	555	1,205,829			
29	Interior Hard wired CFL fixtures	Each		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
30	Exterior Hard wired CFL fixtures	Each	[7]	648	22,239	6	55,111	940	238,854	2	79,934	940	238,854	2	79,934	940	238,854	2	79,934			
31	Torchiere	Each	[8]	0	0	0	0	2,475	472,725	47	98,989	2,475	472,725	47	98,989	2,475	472,725	47	98,989			
32	Refrigerators																					
33	Refrigerators -Primary	Each	[1]	16,913	12,796,904	2,706	10,919,558	17,141	12,918,226	2,193	11,244,218	17,141	12,918,226	2,193	11,244,218	17,141	12,918,226	2,193	11,244,218			
34	Refrigerators - secondary	Each	[1]	0	0	0	0	2,857	2,153,038	365	1,874,036	2,857	2,153,038	365	1,874,036	2,857	2,153,038	365	1,874,036			
35	Pool Pumps																					
36	Pool Pumps	Each	[9]	213	279,609	41	170,623	1,237	1,731,800	668	1,163,123	1,237	5,196,933	2,005	1,163,123	1,237	5,196,933	2,005	1,163,123			
37	New Measures																					
49																						
51	Pilots																					
59																						
61	Customer Enrollment																					
62	Outreach & Assessment	Home		51,269	0	0	2,848,555	61,868	0	0	7,249,145	61,868	0	0	7,249,145	61,868	0	0	7,249,145			
63	In-Home Education	Home		47,135	0	0	496,328	75,243	0	0	2,182,062	75,243	0	0	2,182,062	75,243	0	0	2,182,062			
64	Education Workshops	Participant		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
66	Total				20,841,957	3,389	29,444,073		29,604,870	10,952	47,469,546		32,992,207	12,276	48,469,546		33,031,322	12,483	50,469,546			
68																						
69	* Include all proposed new measures and pilots, where appropriate. Include reference information on measure level kWh, kW and Therms.																					
70	** Measure level expenses are projections only. Actual costs will be negotiated with contractors. Utilities are not requesting approval of costs at the measure level.																					
71																						
72	Legend:																					
73	[1] 2005 Low Income Load Impact Study	[6] 2005 Iron Study with kW scaled by DEER							[11] 2008 data listed are for Showerheads only.													
74	[2] DEER RSFm1375RSA13	[7] SCE Work Paper WPSCRELG0026 Rev 1							[12] PY 2008 data are generally greater than those requested in SCE's 2007-2008 LIEE Application A.06-07-001, in response to R.07-01-042 dated 12/13/2007.													
75	[3] SCE Work Paper WPSCREHC0016	[8] DEER RRes00AVTor70							[13] Not tracked at this level on 2007-2008.													
76	[4] DEER RSFm1375RHP13	[9] DEER RRes00AVPOOL2																				
77	[5] 2001 Low Income Load Impact Study	[10] 2008 data listed are for Door Weatherstripping.																				

Attachment A-3

LIEE Program Penetration

	A	B	C	D	E	F	G
1	LIEE Program Penetration						
2	Southern California Edison						
3							
4							
5		Number of Residential Customers in Utility Service Area	Number of Eligible and Willing LIEE Customers**	Number of Treated LIEE Customers Since 2002	Number of Eligible and Willing Customers Remaining to be Treated**	Customers Treated by LIEE in Program Year	Percent of LIEE Programmatic Initiative Achieved
6							
7							
8							
9							
10	PY 2007	4,271,645	1,229,072	235,789	N/A	44,323	N/A
11	PY 2008	4,312,896	1,208,651	286,789	921,862	51,000	N/A
12	PY 2009	4,312,896	1,208,651	362,032	921,862	75,243	8.2%
13	PY 2010	4,312,896	1,208,651	437,275	921,862	75,243	16.3%
14	PY 2011	4,312,896	1,208,651	512,518	921,862	75,243	24.5%
15							
16	** Number of eligible and willing LIEE customers based on utility's proposed "standard means of deriving the						
17	number of LIEE customers on which to base 1/4 of the Commission's programmatic initiative," as discussed in Chapter 1, Section 3 of SCE's Testimony.						
	SCE also estimates that nearly 55,000 homes will have been treated by LIHEAP during the 2002-2008 period as described in Chapter 1, Section 3 of SCE's Testimony, which would raise the achievement of the programmatic initiative to 30.4%.						
18	The 921,862 is held constant as a period goal. The number actually would decline each year as homes are treated.						

Attachment A-4

LIEE Program Detail by Housing Type

	A	B	C	D	E	F	G	H
1	LIEE Program Detail by Housing Type							
2	Southern California Edison							
3								
4			PY 2007	PY 2007	PY 2008	PY 2009	PY 2010	PY 2011
5			Customers Estimated Eligible for LIEE	Customers Treated	Customers Treated (Projected)			
6								
7								
8	Gas and Electric Customers							
9	Owners - Total							
10		Single Family						
11		Multi Family						
12		Mobile Homes						
13	Renters - Total							
14		Single Family						
15		Multi Family						
16		Mobile Homes						
17	Electric Customers (only)							
18		Owners - Total	556,743	22,076	25,535	31,034	31,034	31,034
19		Single Family	450,508	18,654	21,577	25,101	25,101	25,101
20		Multi Family	20,104	548	634	1,135	1,135	1,135
21		Mobile Homes	86,131	2,874	3,324	4,798	4,798	4,798
22		Renters - Total	786,202	22,247	25,734	44,209	44,209	44,209
23		Single Family	400,530	12,321	14,252	22,390	22,390	22,390
24		Multi Family	359,407	9,492	10,980	20,351	20,351	20,351
25		Mobile Homes	26,265	434	502	1,468	1,468	1,468
26	Gas Customers (only)							
27	Owners - Total							
28		Single Family						
29		Multi Family						
30		Mobile Homes						
31	Renters - Total							
32		Single Family						
33		Multi Family						
34		Mobile Homes						

Attachment A-5

Summary of LIEE Program Cost-Effectiveness

	A	B	C	D
1	Summary of LIEE Program Cost Effectiveness Southern California Edison			
2				
3				
4	Ratio of Program Benefits over Program Costs			
5		Utility Cost Test	Modified Participant Test	Total Resource Cost Test
6	PY 2008¹	0.59	1.29	0.52
7	PY 2009	0.72	2.15	0.57
8	PY 2010	0.68	2.12	0.55
9	PY 2011	0.64	2.08	0.54

Attachment A-6

LIEE Cost-Effectiveness – Weather Sensitive Measures

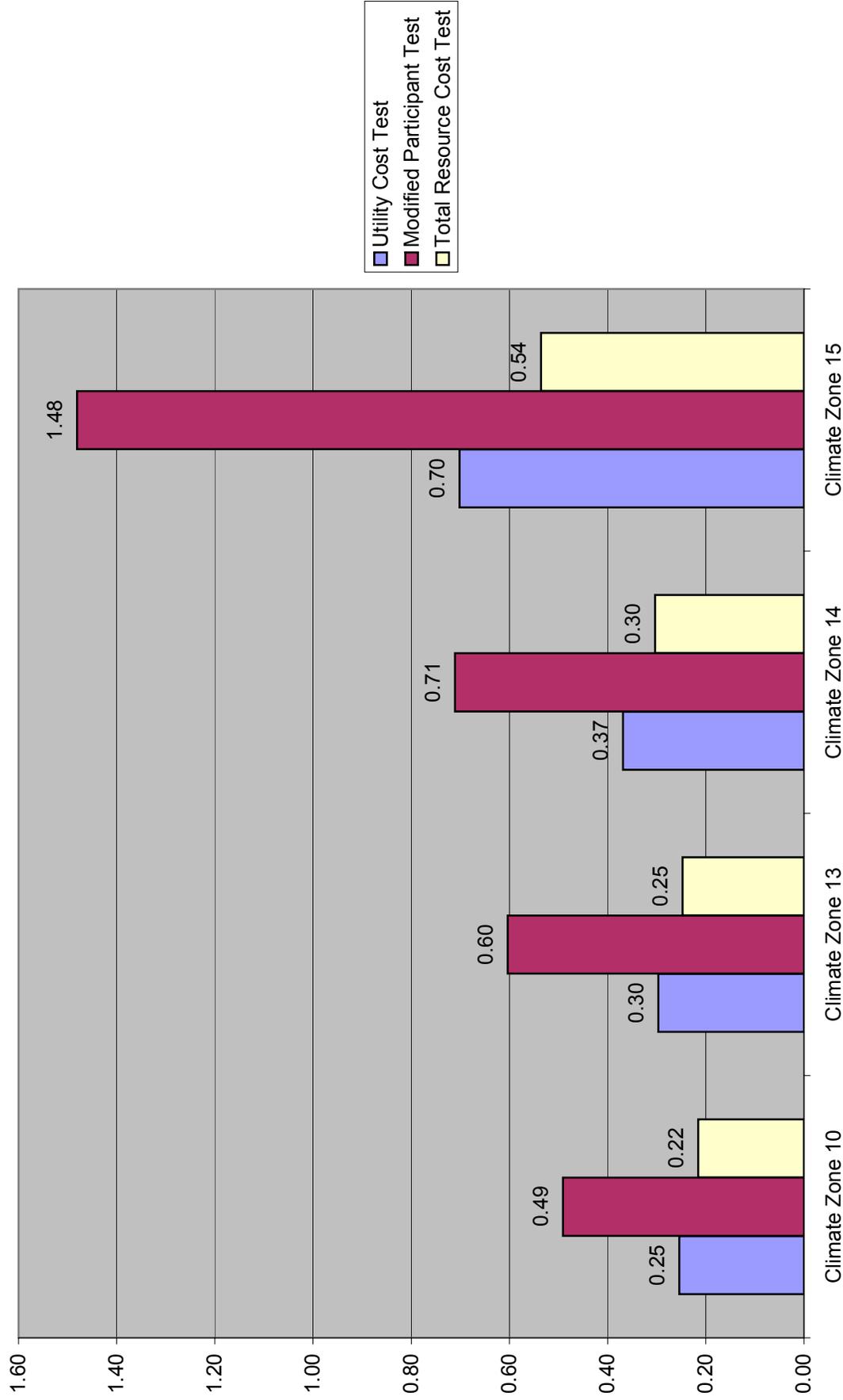
	A	B	C	D	E	F	G	H	I	J	K
1	LIEE Cost-Effectiveness - Weather Sensitive Measures										
2	Southern California Edison										
3											
4	Ratio of Benefits Over Costs										
5	Utility Cost Test				Modified Participant				Total Resource Cost		
6	Room Air Conditioner Replacement										
7	<i>Single Family, Electric</i>										
9			2009	2010	2011	2009	2010	2011	2009	2010	2011
10		Climate Zone 10	0.25	0.24	0.48	0.49	0.49	0.48	0.22	0.22	0.22
11		Climate Zone 13	0.30	0.28	0.60	0.60	0.60	0.60	0.25	0.25	0.25
12		Climate Zone 14	0.37	0.35	0.70	0.71	0.70	0.70	0.30	0.30	0.31
13		Climate Zone 15	0.70	0.67	1.46	1.48	1.47	1.46	0.54	0.53	0.53
14	<i>Multifamily, Electric</i>										
16			2009	2010	2011	2009	2010	2011	2009	2010	2011
17		Climate Zone 10	0.08	0.08	0.08	0.16	0.16	0.16	0.08	0.08	0.08
18		Climate Zone 13	0.10	0.09	0.09	0.19	0.19	0.19	0.08	0.09	0.09
19		Climate Zone 14	0.13	0.12	0.12	0.25	0.25	0.25	0.11	0.11	0.12
20		Climate Zone 15	0.23	0.22	0.21	0.49	0.48	0.48	0.19	0.19	0.20
21	<i>Mobile Home, Electric</i>										
23			2009	2010	2011	2009	2010	2011	2009	2010	2011
24		Climate Zone 10	0.25	0.24	0.23	0.45	0.44	0.44	0.22	0.22	0.22
25		Climate Zone 13	0.29	0.28	0.26	0.55	0.55	0.54	0.24	0.25	0.25
26		Climate Zone 14	0.39	0.37	0.35	0.73	0.72	0.71	0.32	0.32	0.32
27		Climate Zone 15	0.63	0.60	0.58	1.31	1.30	1.29	0.49	0.49	0.49
28	Central Air Conditioner Replacement										
29	<i>Single Family, Electric</i>										
31			2009	2010	2011	2009	2010	2011	2009	2010	2011
32		Climate Zone 13	0.19	0.19	0.18	0.42	0.42	0.42	0.16	0.16	0.16
33		Climate Zone 14	0.31	0.30	0.28	0.64	0.63	0.63	0.25	0.25	0.25
34		Climate Zone 15	0.49	0.46	0.44	1.08	1.08	1.08	0.37	0.37	0.37
35	<i>Multifamily, Electric</i>										
37			2009	2010	2011	2009	2010	2011	2009	2010	2011
38		Climate Zone 13	0.24	0.23	0.22	0.51	0.50	0.50	0.19	0.19	0.20
39		Climate Zone 14	0.45	0.43	0.41	0.93	0.92	0.91	0.35	0.35	0.35
40		Climate Zone 15	0.51	0.49	0.47	1.15	1.14	1.14	0.39	0.39	0.39
41	<i>Mobile Home, Electric</i>										
43			2009	2010	2011	2009	2010	2011	2009	2010	2011
44		Climate Zone 13	0.31	0.30	0.29	0.63	0.63	0.62	0.25	0.25	0.25
45		Climate Zone 14	0.49	0.47	0.45	0.98	0.97	0.96	0.38	0.38	0.38
46		Climate Zone 15	0.52	0.49	0.47	1.14	1.13	1.13	0.40	0.39	0.40
47	Central Air Conditioner Service										
48	<i>Single Family, Electric</i>										
50			2009	2010	2011	2009	2010	2011	2009	2010	2011
51		Climate Zone 13	2.59	2.43	2.31	4.74	4.63	4.59	1.47	1.40	1.35
52		Climate Zone 14	2.22	2.08	1.97	4.09	4.00	3.96	1.34	1.28	1.23
53		Climate Zone 15	2.51	2.34	2.23	4.89	4.78	4.76	1.52	1.44	1.38
54	<i>Mobile Home, Electric</i>										
56			2009	2010	2011	2009	2010	2011	2009	2010	2011
57		Climate Zone 13	3.27	3.07	2.92	5.60	5.44	5.39	1.60	1.51	1.45
58		Climate Zone 14	2.83	2.65	2.52	5.10	4.97	4.92	1.53	1.45	1.40

	A	B	C	D	E	F	G	H	I	J	K
1	LIEE Cost-Effectiveness - Weather Sensitive Measures										
2	Southern California Edison										
3											
4	Ratio of Benefits Over Costs										
5	Utility Cost Test			Modified Participant			Total Resource Cost				
59		Climate Zone 15	2.96	2.76	2.63	5.73	5.59	5.57	1.68	1.58	1.52
60	Heat Pump Replacement										
61	Single Family, Electric										
63			2009	2010	2011	2009	2010	2011	2009	2010	2011
64		Climate Zone 13	0.23	0.22	0.21	0.81	0.82	0.83	0.17	0.17	0.18
65		Climate Zone 14	0.23	0.22	0.21	0.80	0.81	0.82	0.17	0.17	0.17
66		Climate Zone 15	0.17	0.17	0.16	0.62	0.63	0.63	0.13	0.13	0.13
67	Multifamily, Electric										
69			2009	2010	2011	2009	2010	2011	2009	2010	2011
70		Climate Zone 13	0.28	0.27	0.26	1.002	1.011	1.02	0.21	0.21	0.22
71		Climate Zone 14	0.24	0.23	0.22	0.852	0.86	0.87	0.18	0.18	0.18
72		Climate Zone 15	0.20	0.19	0.18	0.703	0.71	0.72	0.15	0.15	0.15
73	Mobile Home, Electric										
75			2009	2010	2011	2009	2010	2011	2009	2010	2011
76		Climate Zone 13	0.28	0.27	0.26	0.99	1.00	1.01	0.21	0.21	0.21
77		Climate Zone 14	0.31	0.30	0.29	1.11	1.12	1.13	0.24	0.24	0.24
78		Climate Zone 15	0.30	0.29	0.28	1.06	1.07	1.08	0.23	0.23	0.23
79	Evaporative Cooler Installation										
80	Single Family, Electric										
82			2009	2010	2011	2009	2010	2011	2009	2010	2011
83		Climate Zone 10	0.24	0.23	0.22	0.63	0.63	0.63	0.20	0.20	0.20
84		Climate Zone 13	0.33	0.31	0.30	0.88	0.88	0.89	0.27	0.27	0.27
85		Climate Zone 14	0.37	0.35	0.34	0.98	0.98	0.98	0.30	0.30	0.30
86		Climate Zone 15	0.79	0.76	0.72	2.14	2.14	2.15	0.60	0.59	0.59
87		Climate Zone 16	0.46	0.44	0.42	1.02	1.01	1.01	0.36	0.37	0.37
88	Mobile Home, Electric										
90			2009	2010	2011	2009	2010	2011	2009	2010	2011
91		Climate Zone 10	0.24	0.23	0.22	0.62	0.62	0.62	0.20	0.20	0.20
92		Climate Zone 13	0.33	0.31	0.30	0.86	0.86	0.86	0.26	0.26	0.27
93		Climate Zone 14	0.37	0.35	0.34	0.97	0.97	0.97	0.30	0.30	0.30
94		Climate Zone 15	0.77	0.73	0.70	2.07	2.07	2.08	0.58	0.58	0.57
95		Climate Zone 16	0.36	0.34	0.33	0.74	0.74	0.74	0.29	0.30	0.30
96	Evaporative Cooler Maintenance										
97	Single Family, Electric										
99			2009	2010	2011	2009	2010	2011	2009	2010	2011
100		Climate Zone 10	0.21	0.20	0.18	0.40	0.40	0.39	0.18	0.17	0.17
101		Climate Zone 13	0.26	0.24	0.23	0.50	0.50	0.49	0.22	0.22	0.21
102		Climate Zone 14	0.27	0.26	0.24	0.52	0.52	0.51	0.23	0.23	0.22
103		Climate Zone 15	0.54	0.50	0.47	1.04	1.02	1.00	0.43	0.43	0.42
104		Climate Zone 16	0.21	0.20	0.19	0.42	0.41	0.40	0.18	0.18	0.18
105	Mobile Home, Electric										
107			2009	2010	2011	2009	2010	2011	2009	2010	2011
108		Climate Zone 10	0.20	0.18	0.17	0.38	0.37	0.37	0.17	0.17	0.16
109		Climate Zone 13	0.27	0.26	0.24	0.53	0.52	0.51	0.23	0.23	0.22
110		Climate Zone 14	0.27	0.25	0.24	0.52	0.51	0.50	0.23	0.22	0.22

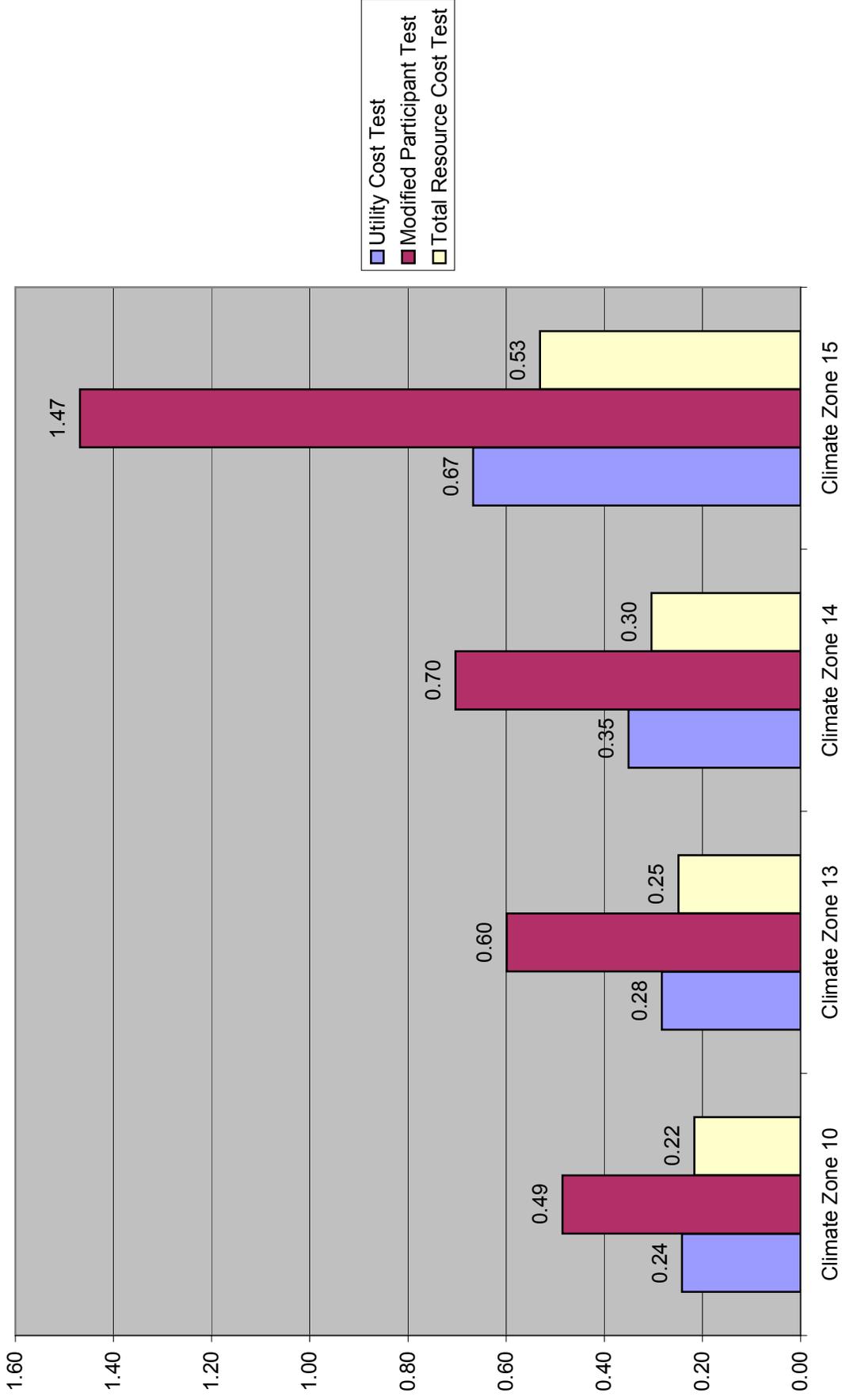
	A	B	C	D	E	F	G	H	I	J	K
1	LIEE Cost-Effectiveness - Weather Sensitive Measures										
2	Southern California Edison										
3											
4	Ratio of Benefits Over Costs										
5	Utility Cost Test			Modified Participant				Total Resource Cost			
111	Climate Zone 15	0.54	0.50	0.47	1.04	1.02	1.00	0.43	0.43	0.42	
112	Climate Zone 16	0.15	0.14	0.13	0.30	0.29	0.29	0.13	0.13	0.13	
113	Envelope and Air Sealing										
114	<i>Single Family, Electric</i>										
116		2009	2010	2011	2009	2010	2011	2009	2010	2011	
117	Climate Zone 6	0.13	0.13	0.12	0.21	0.21	0.21	0.12	0.13	0.13	
118	Climate Zone 8	0.40	0.38	0.37	0.64	0.63	0.63	0.34	0.34	0.35	
119	Climate Zone 9	0.30	0.29	0.28	0.48	0.47	0.46	0.27	0.27	0.27	
120	Climate Zone 10	0.65	0.62	0.59	1.01	0.99	0.97	0.51	0.51	0.51	
121	Climate Zone 13	0.66	0.62	0.59	1.02	1.00	0.98	0.51	0.51	0.51	
122	Climate Zone 14	0.69	0.65	0.62	1.07	1.04	1.02	0.53	0.53	0.53	
123	Climate Zone 15	0.32	0.31	0.29	0.50	0.49	0.48	0.28	0.28	0.28	
124	Climate Zone 16	0.36	0.34	0.33	0.54	0.52	0.51	0.31	0.31	0.32	
125	<i>Multifamily, Electric</i>										
127		2009	2010	2011	2009	2010	2011	2009	2010	2011	
128	Climate Zone 6	0.05	0.04	0.04	0.07	0.07	0.07	0.04	0.04	0.05	
129	Climate Zone 8	0.15	0.14	0.14	0.24	0.23	0.23	0.14	0.14	0.14	
130	Climate Zone 9	0.11	0.10	0.10	0.17	0.17	0.17	0.10	0.10	0.11	
131	Climate Zone 10	0.24	0.23	0.22	0.38	0.37	0.36	0.22	0.22	0.22	
132	Climate Zone 13	0.52	0.49	0.47	0.81	0.79	0.77	0.42	0.42	0.42	
133	Climate Zone 14	0.80	0.76	0.72	1.23	1.20	1.18	0.60	0.59	0.59	
134	Climate Zone 15	0.12	0.11	0.10	0.18	0.18	0.17	0.11	0.11	0.11	
135	Climate Zone 16	0.13	0.12	0.12	0.19	0.19	0.18	0.12	0.12	0.13	
136	<i>Mobile Home, Electric</i>										
138		2009	2010	2011	2009	2010	2011	2009	2010	2011	
139	Climate Zone 6	0.09	0.09	0.08	0.14	0.14	0.14	0.08	0.09	0.09	
140	Climate Zone 8	0.53	0.51	0.49	0.84	0.83	0.83	0.43	0.43	0.44	
141	Climate Zone 9	0.40	0.39	0.37	0.64	0.63	0.62	0.34	0.34	0.35	
142	Climate Zone 10	0.85	0.81	0.77	1.32	1.29	1.26	0.63	0.62	0.62	
143	Climate Zone 13	0.86	0.81	0.78	1.33	1.31	1.28	0.63	0.62	0.62	
144	Climate Zone 14	0.90	0.86	0.81	1.39	1.36	1.33	0.66	0.65	0.64	
145	Climate Zone 15	0.43	0.41	0.39	0.66	0.65	0.64	0.36	0.36	0.36	
146	Climate Zone 16	0.48	0.46	0.44	0.71	0.70	0.68	0.40	0.40	0.40	
147	Duct Test and Seal										
148	<i>Single Family, Electric</i>										
150		2009	2010	2011	2009	2010	2011	2009	2010	2011	
151	Climate Zone 13	1.54	1.47	1.41	3.23	3.20	3.20	1.00	0.98	0.96	
152	Climate Zone 14	2.16	2.05	1.97	4.42	4.37	4.36	1.24	1.19	1.16	
153	Climate Zone 15	2.03	1.93	1.85	4.66	4.62	4.64	1.25	1.20	1.17	
154	<i>Multifamily, Electric</i>										
156		2009	2010	2011	2009	2010	2011	2009	2010	2011	
157	Climate Zone 13	0.98	0.94	0.90	2.05	2.04	2.03	0.72	0.71	0.70	
158	Climate Zone 14	1.37	1.31	1.25	2.81	2.78	2.77	0.92	0.90	0.88	
159	Climate Zone 15	1.72	1.63	1.57	3.94	3.91	3.93	1.11	1.08	1.05	
160	<i>Mobile Home, Electric</i>										

	A	B	C	D	E	F	G	H	I	J	K
1	LIEE Cost-Effectiveness - Weather Sensitive Measures										
2	Southern California Edison										
3											
4	Ratio of Benefits Over Costs										
5	Utility Cost Test			Modified Participant			Total Resource Cost				
162			2009	2010	2011	2009	2010	2011	2009	2010	2011
163		Climate Zone 13	1.36	1.29	1.24	2.83	2.81	2.81	0.91	0.89	0.88
164		Climate Zone 14	2.13	2.02	1.94	4.35	4.30	4.30	1.23	1.18	1.15
165		Climate Zone 15	2.06	1.95	1.88	4.72	4.68	4.70	1.26	1.21	1.18
166	New Construction 13-16 SEER Central AC Upgrade										
167	Single Family, Electric										
169			2009	2010	2011	2009	2010	2011	2009	2010	2011
170		Climate Zone 13		0.07	0.07		0.09	0.09		0.08	0.08
171		Climate Zone 14		0.09	0.09		0.11	0.11		0.10	0.10
172		Climate Zone 15		0.05	0.05		0.07	0.07		0.05	0.05
173	Multifamily, Electric										
175			2009	2010	2011	2009	2010	2011	2009	2010	2011
176		Climate Zone 13		0.08	0.07		0.12	0.12		0.08	0.08
177		Climate Zone 14		0.09	0.08		0.13	0.12		0.09	0.09
178		Climate Zone 15		0.09	0.09		0.16	0.16		0.09	0.10
179											
180											
181	* Include chart pertaining to each proposed measure, with information included										
182	on type of home (ie. Single Family, Multi Family, Mobile Home) and electric or										
183	** Charts to include information on each climate zone in utility service area.										

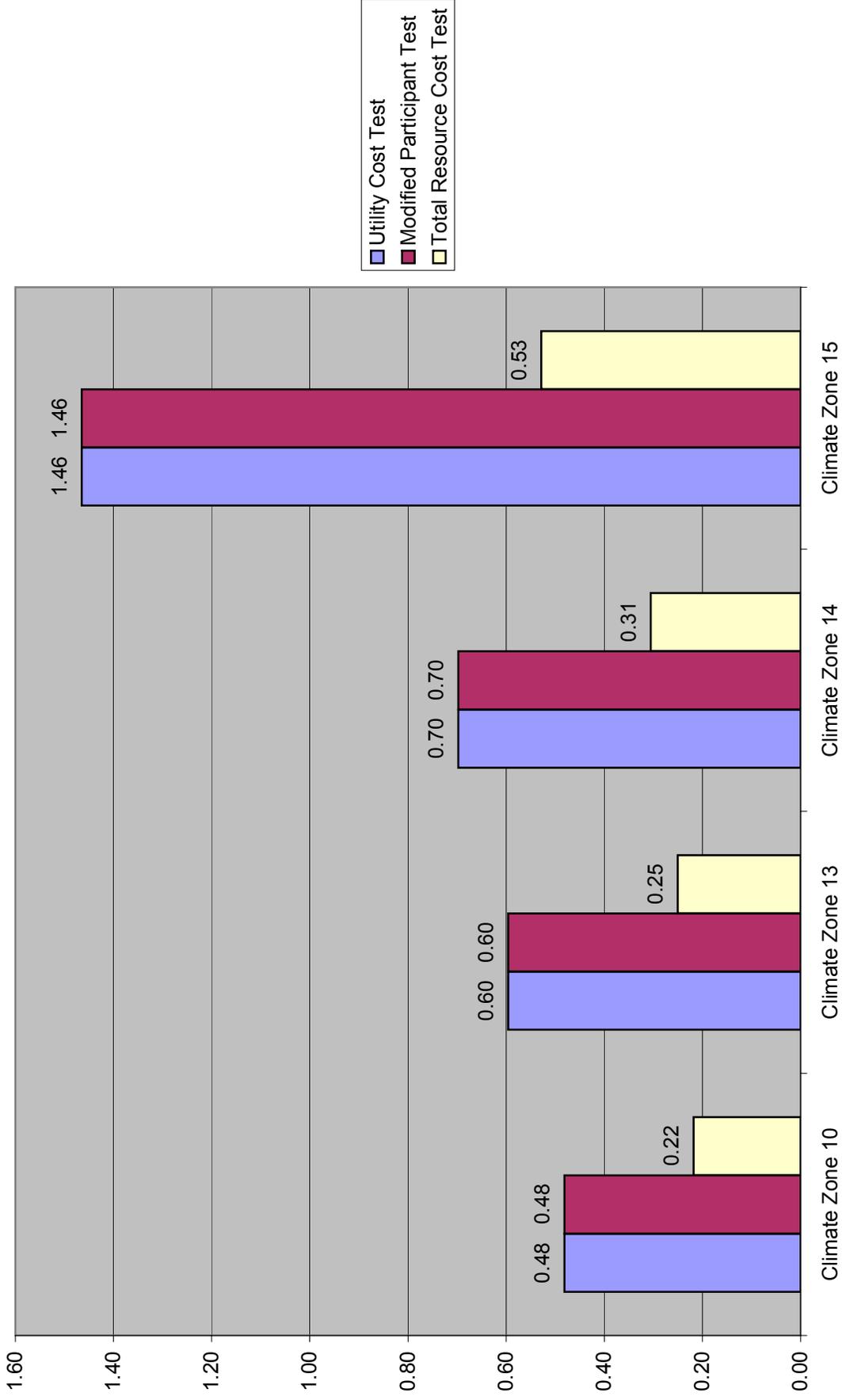
Room AC Single Family 2009



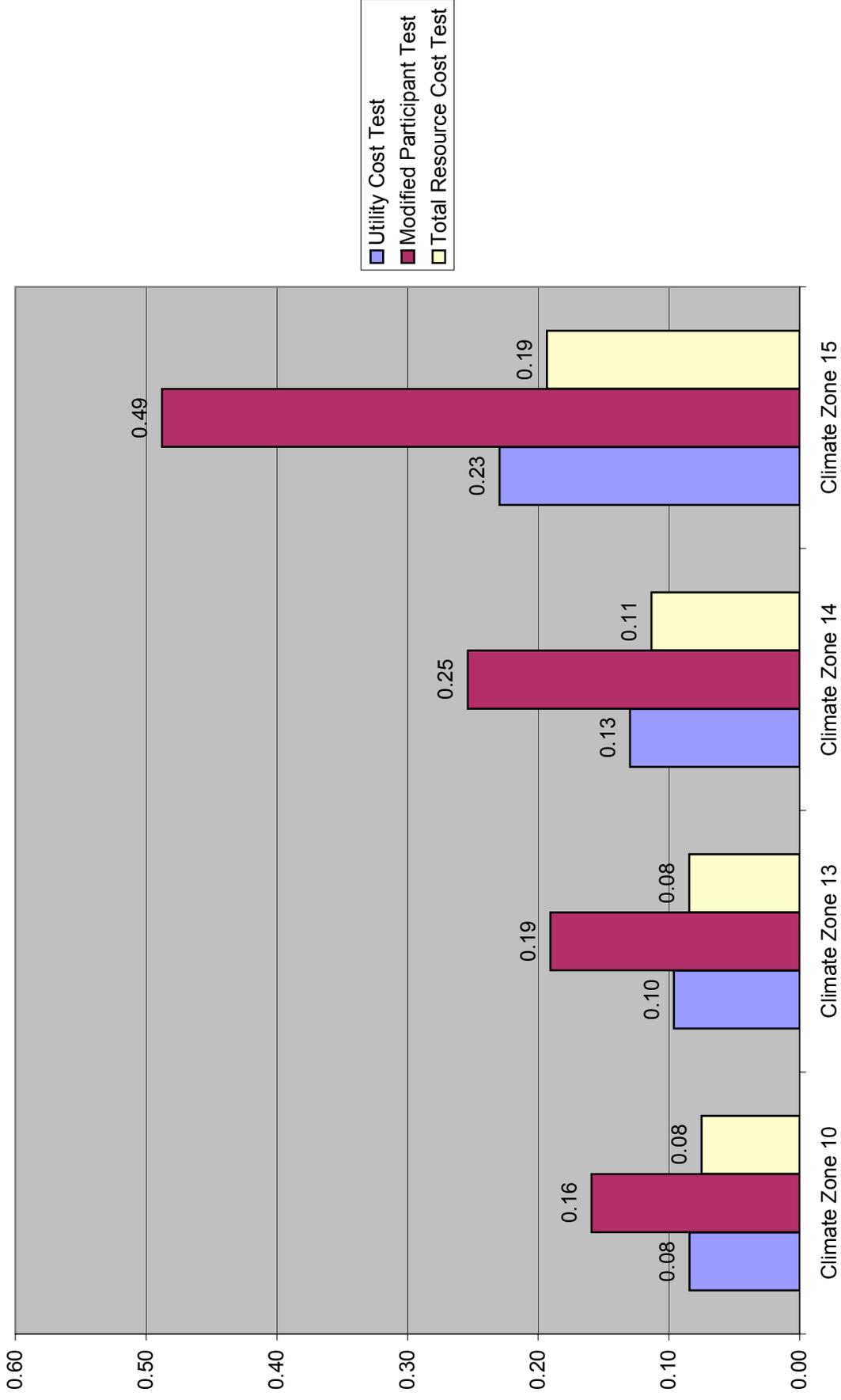
Room AC Single Family 2010



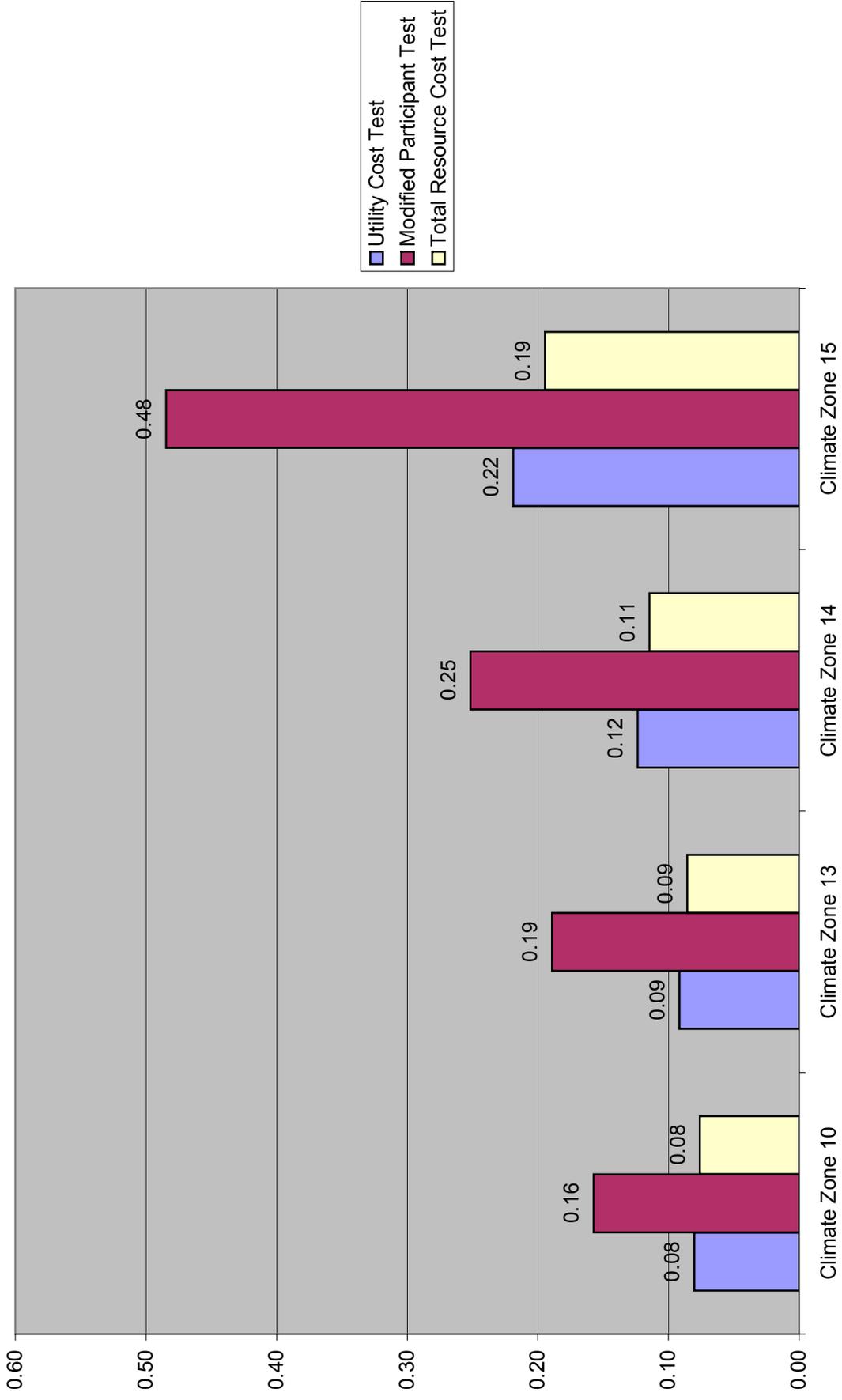
Room AC Single Family 2011



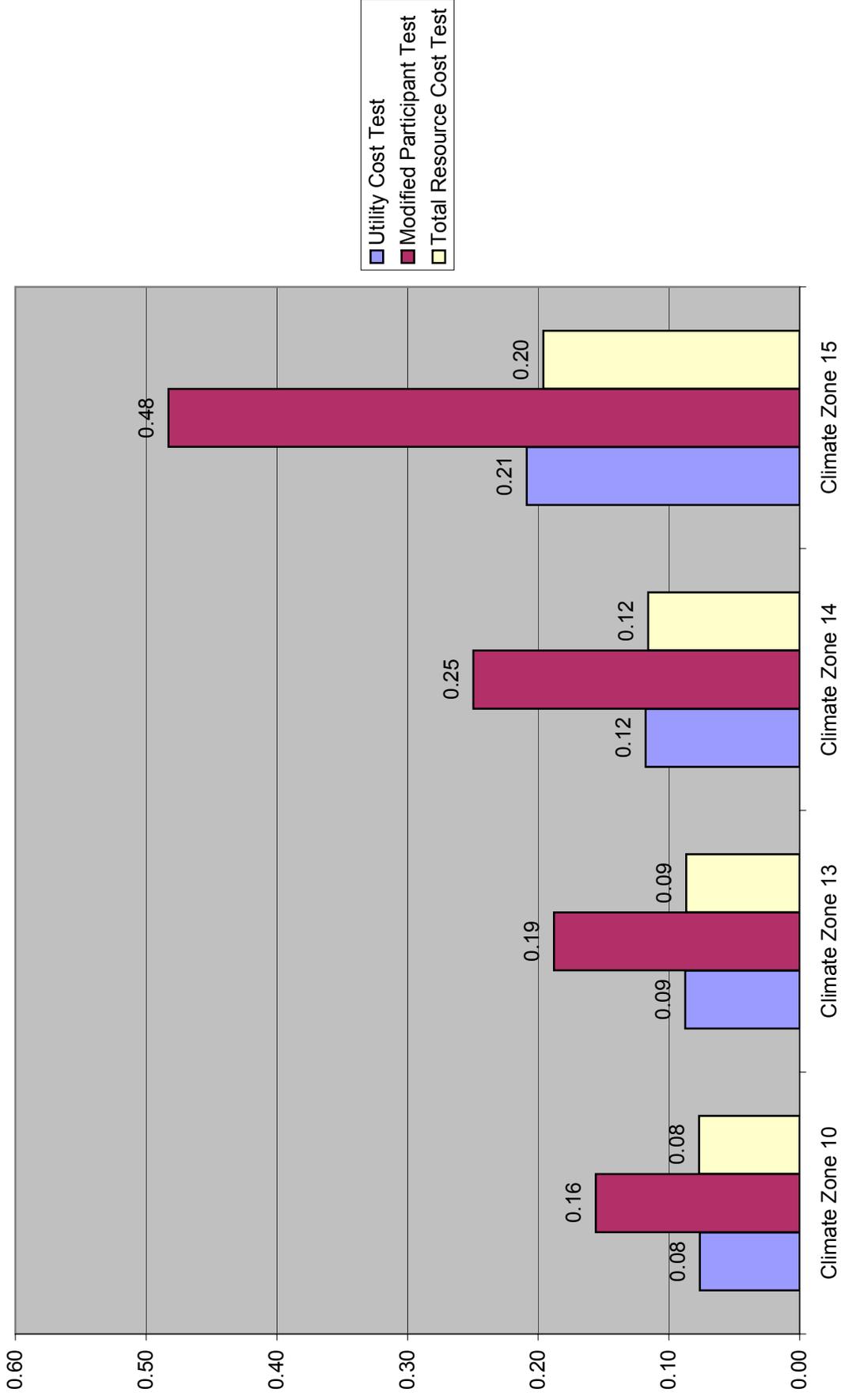
Room AC Multifamily 2009



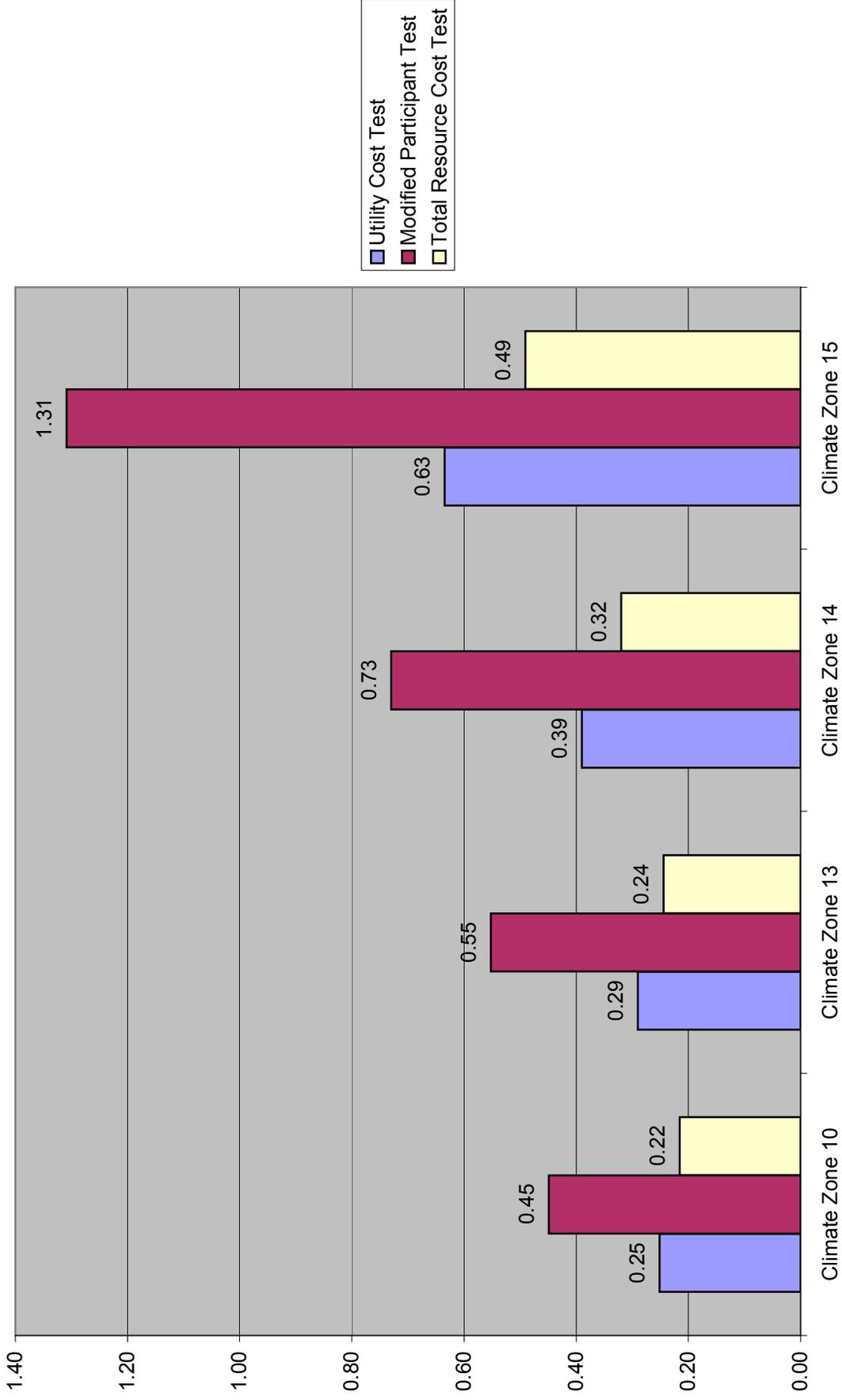
Room AC Multifamily 2010



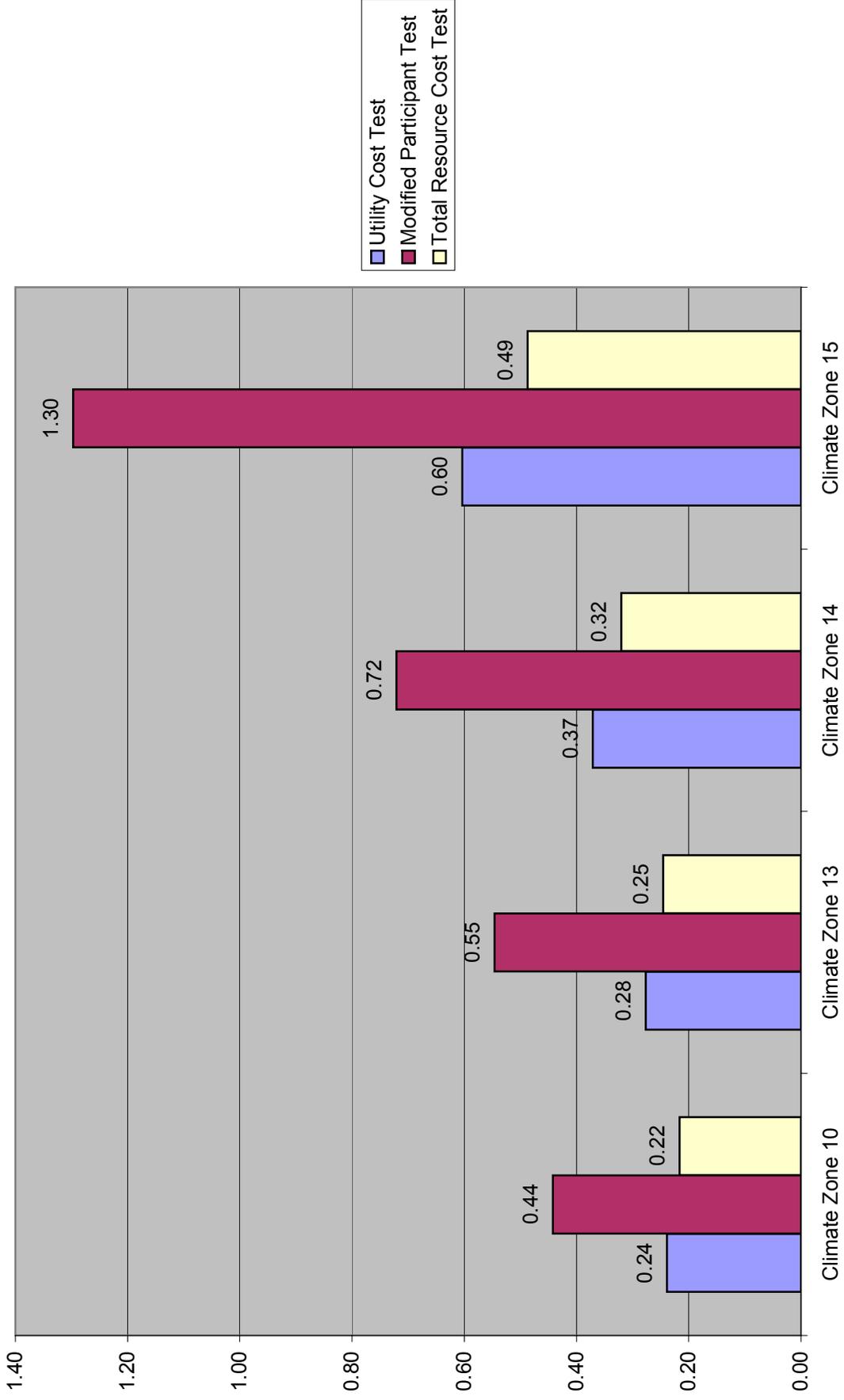
Room AC Multifamily 2011



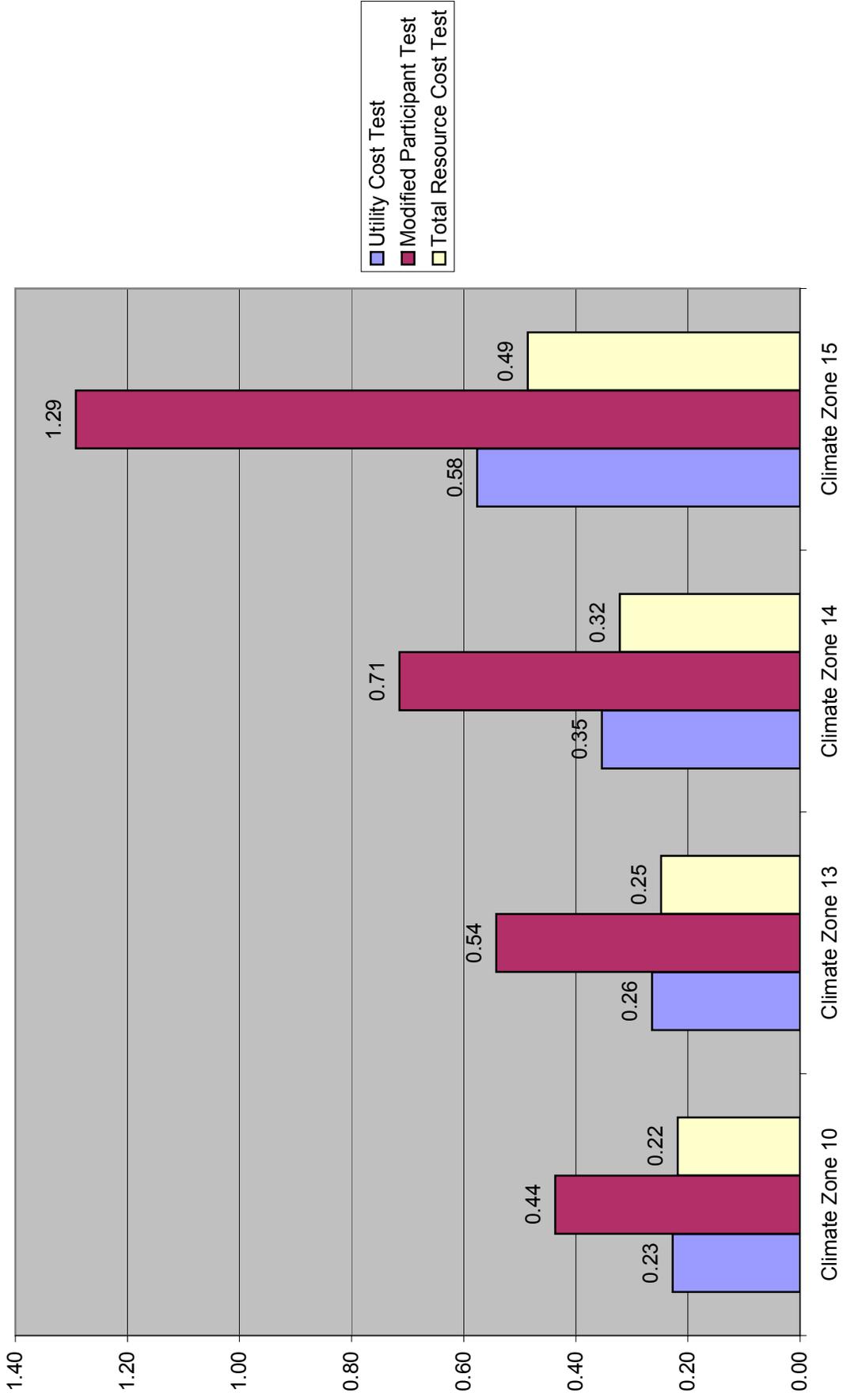
Room AC Mobile Home 2009



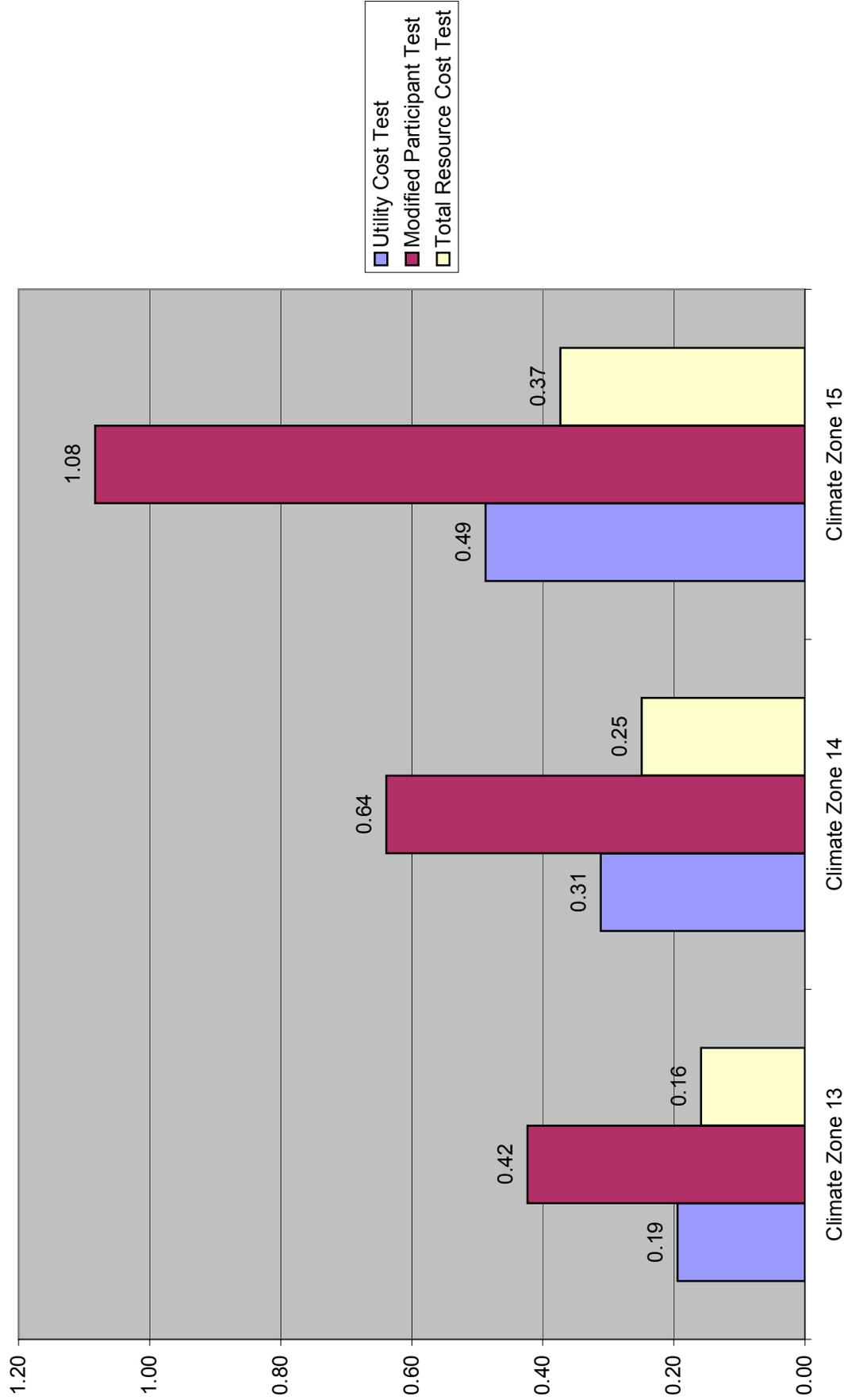
Room AC Mobile Home 2010



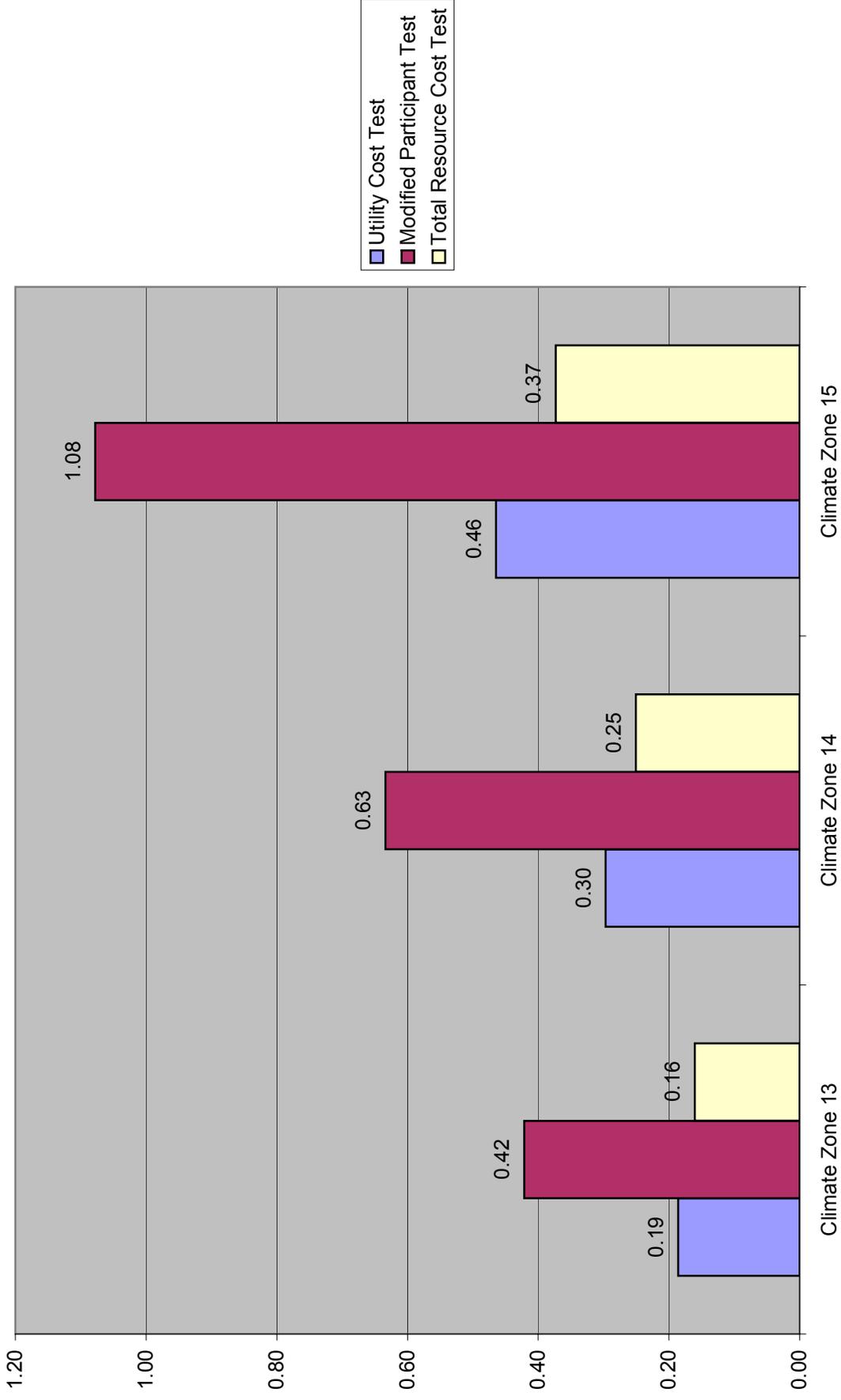
Room AC Mobile Home 2011



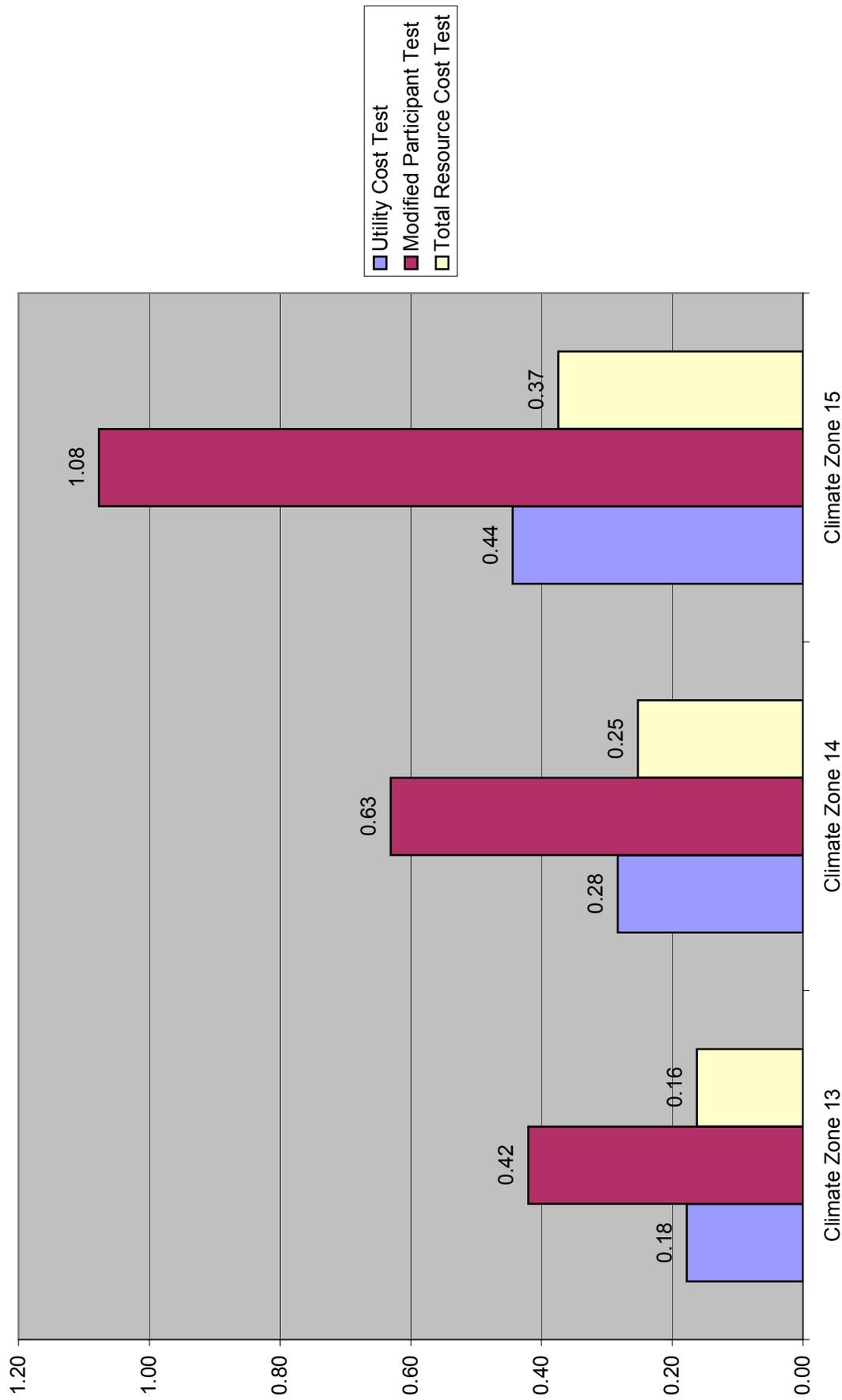
Central AC Installation Single Family 2009



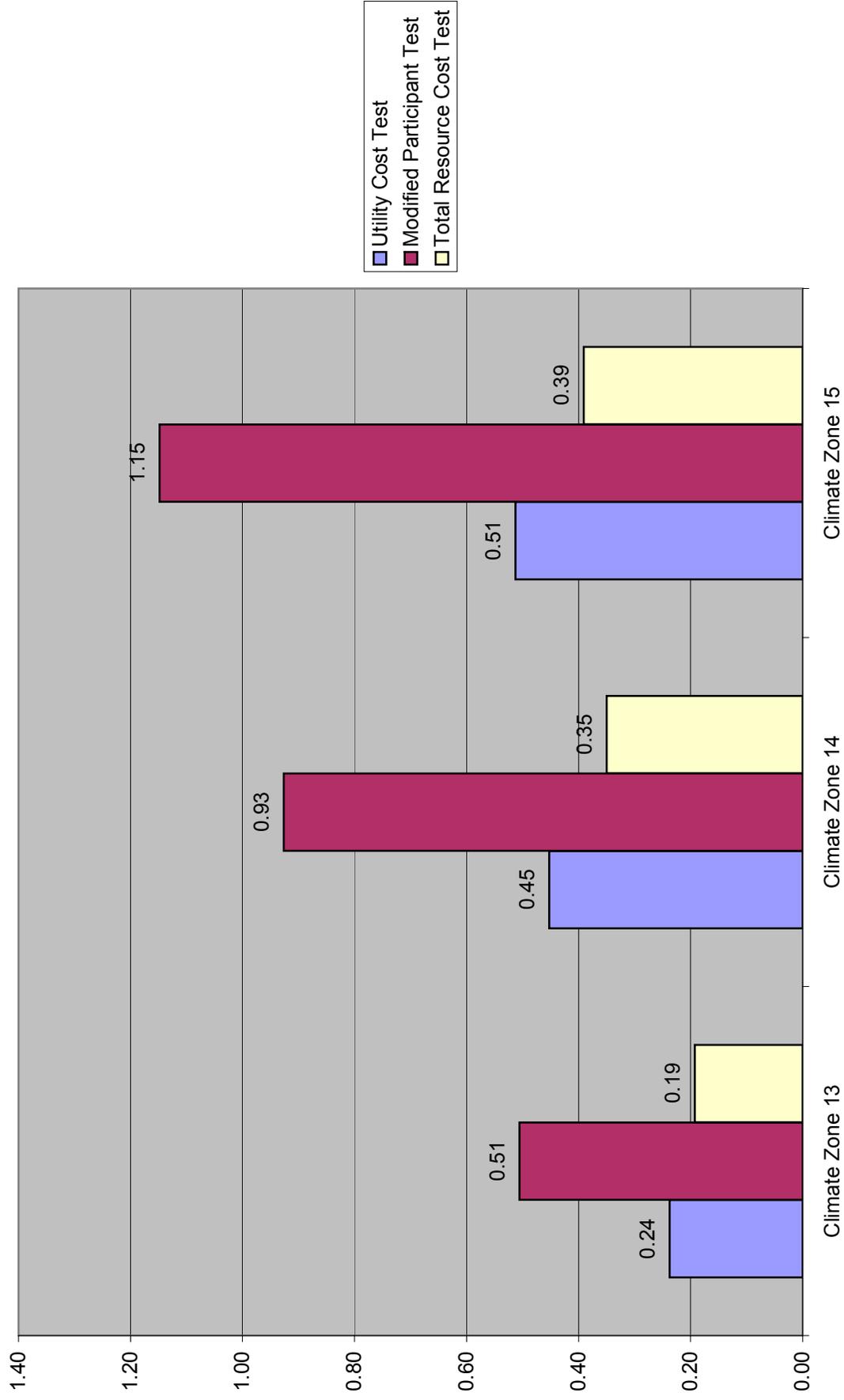
Central AC Installation Single Family 2010



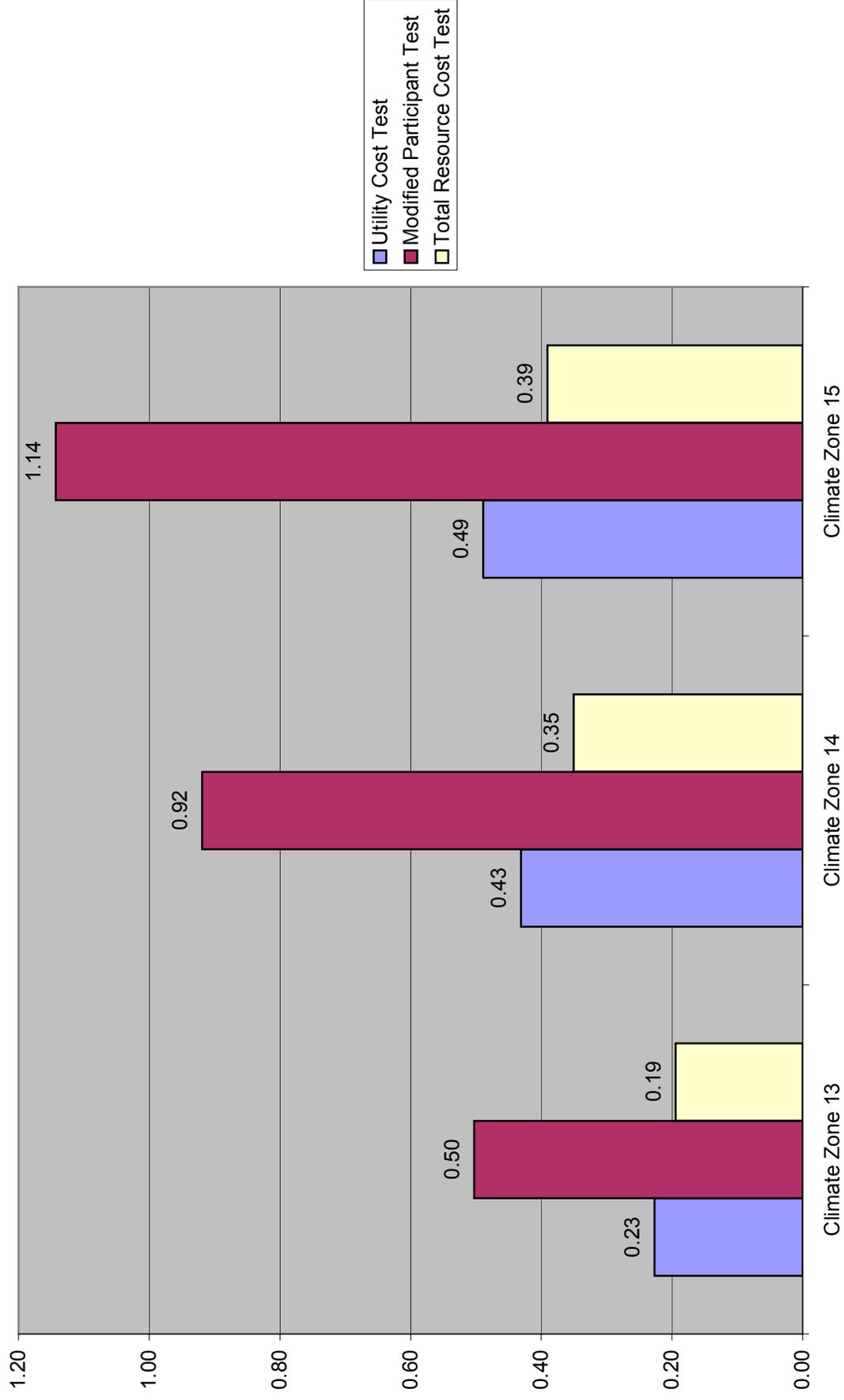
Central AC Installation Single Family 2011



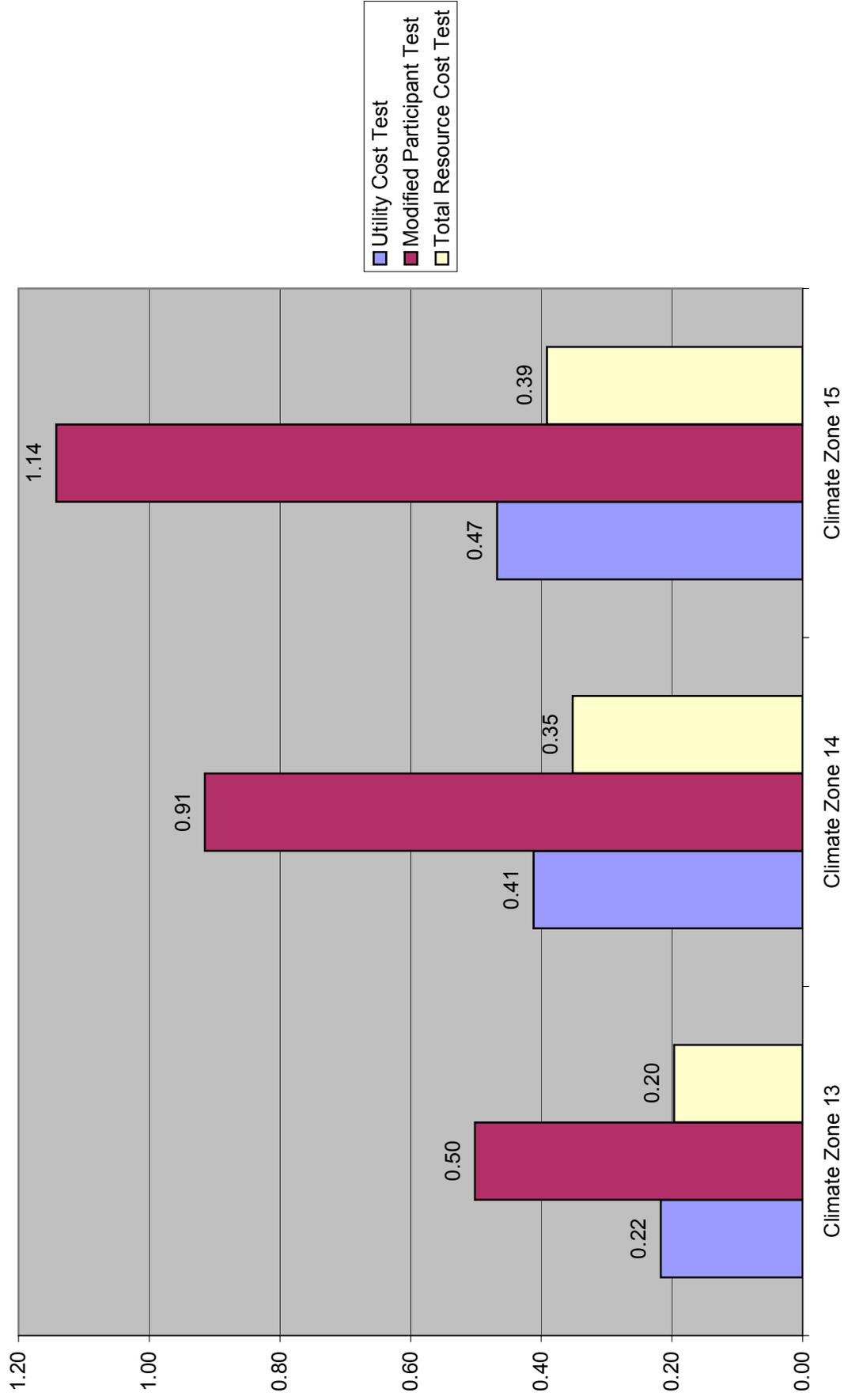
Central AC Installation Multi-Family 2009



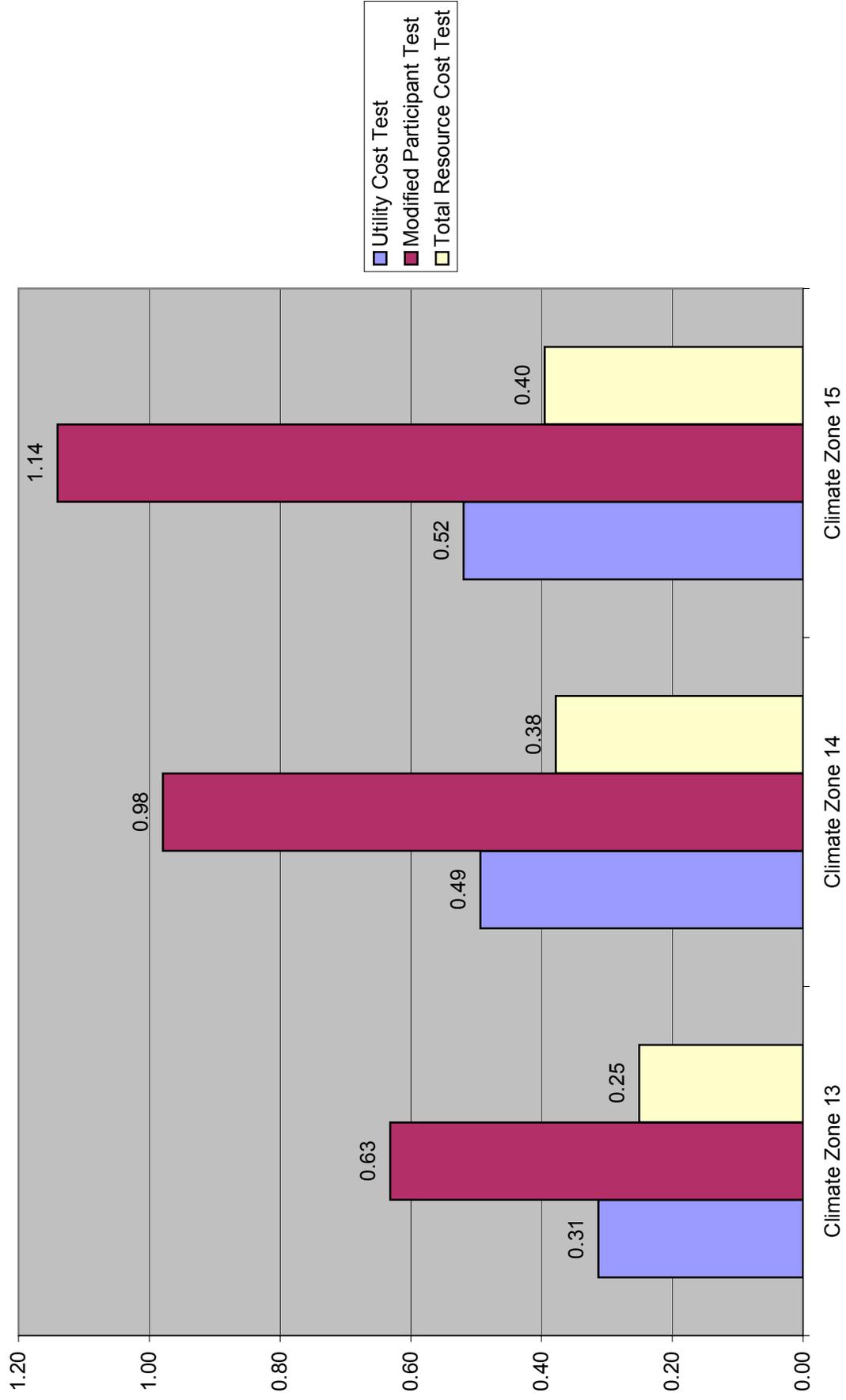
Central AC Installation Multifamily 2010



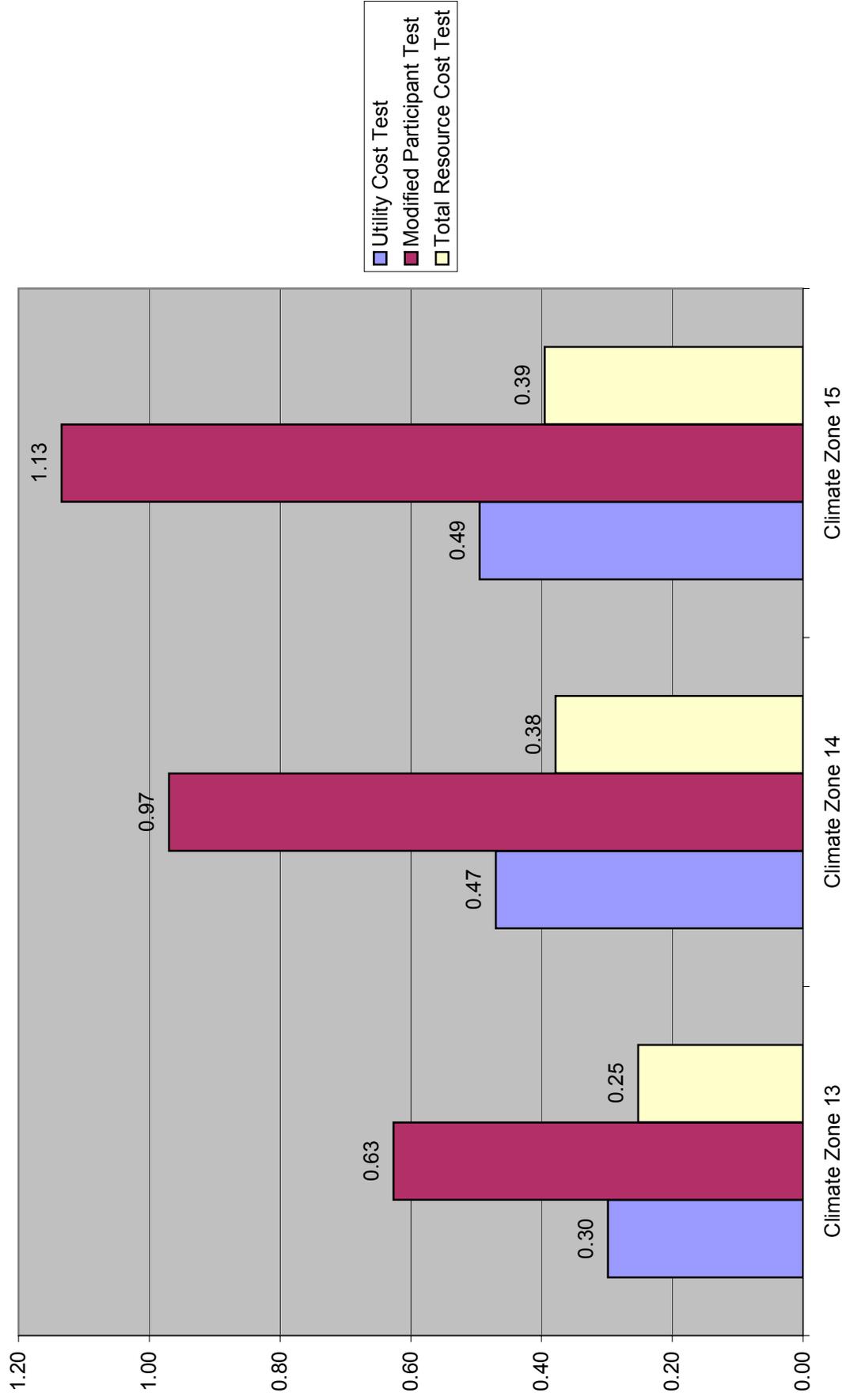
Central AC Installation Multifamily 2011



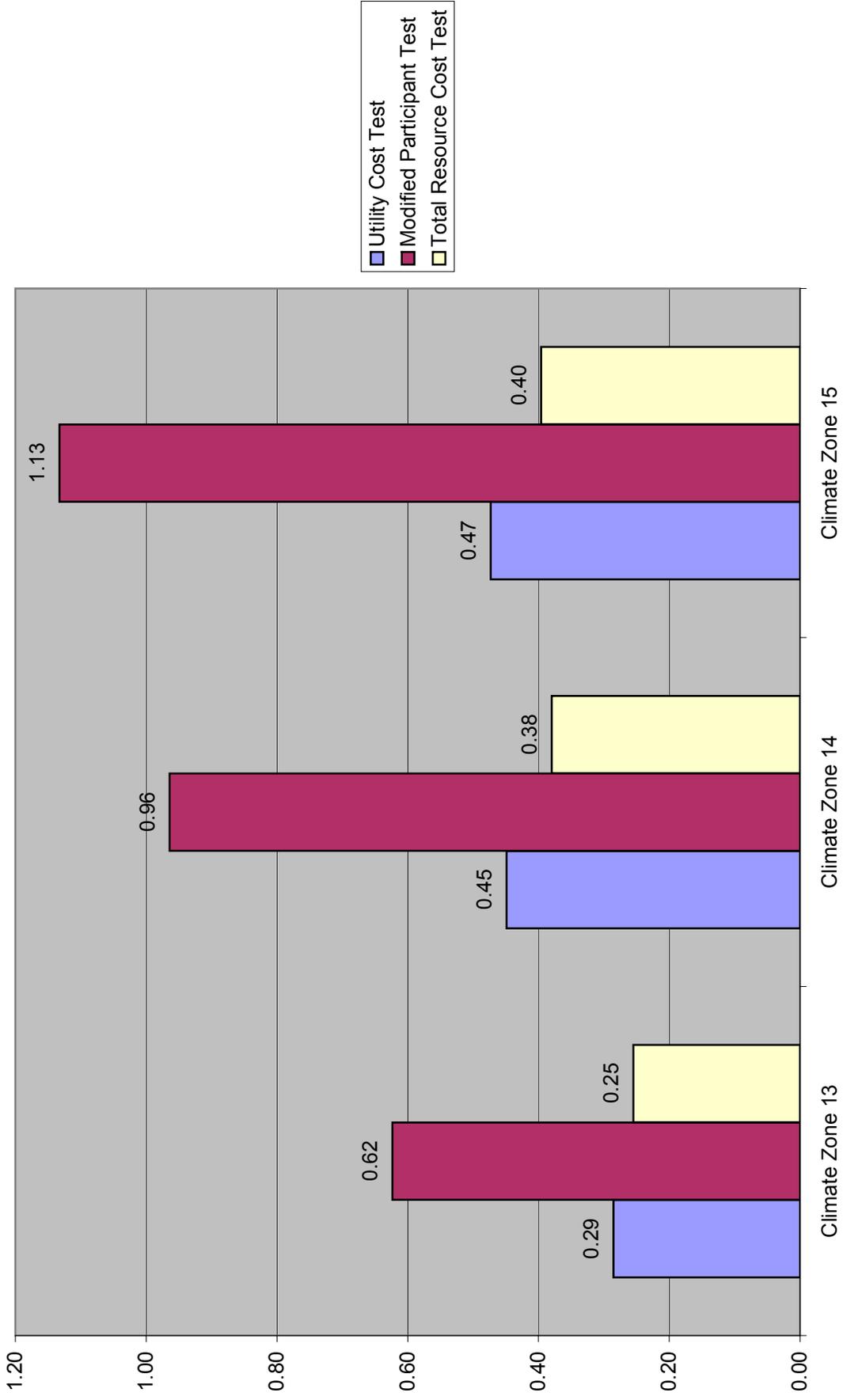
Central AC Installation Mobile Home 2009



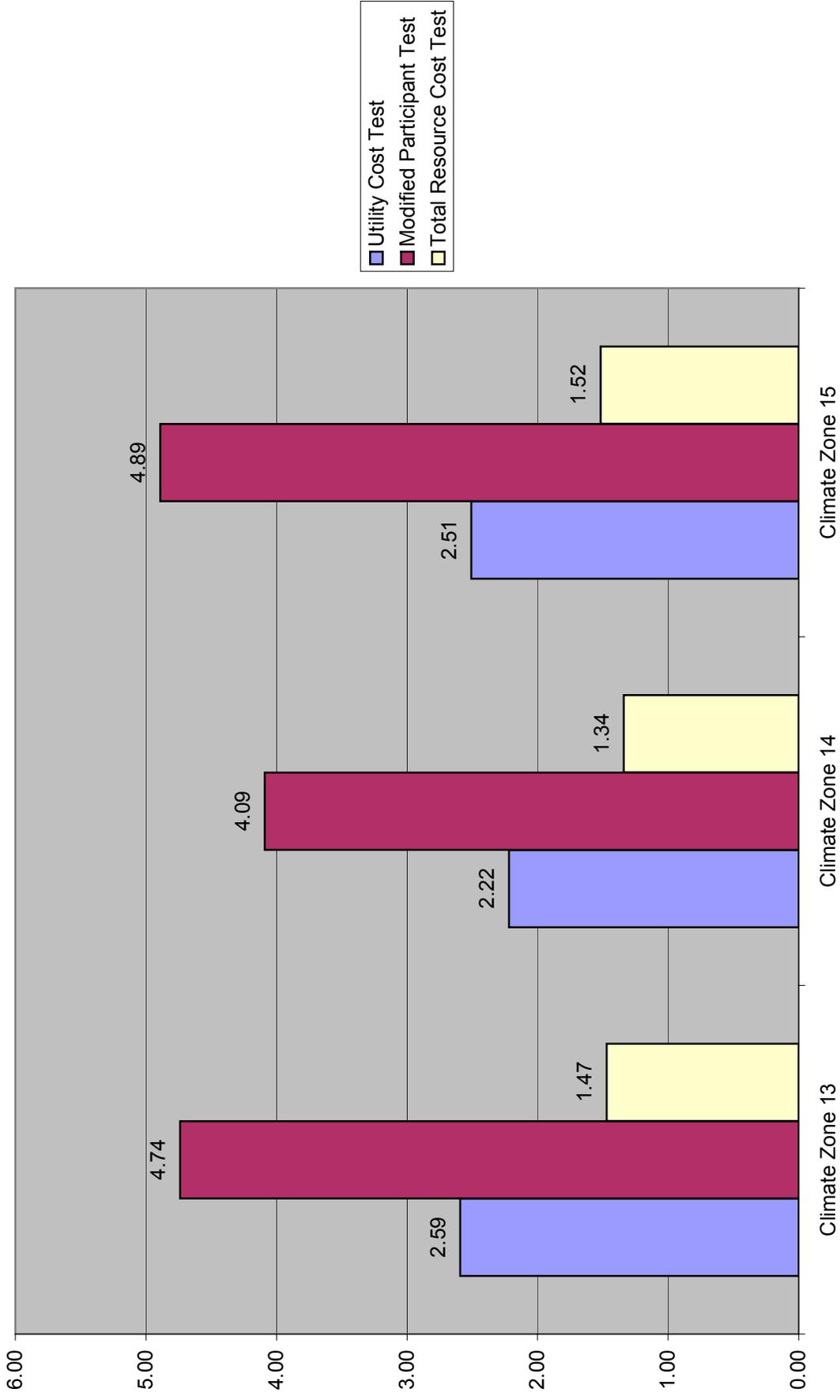
Central AC Installation Mobile Home 2010



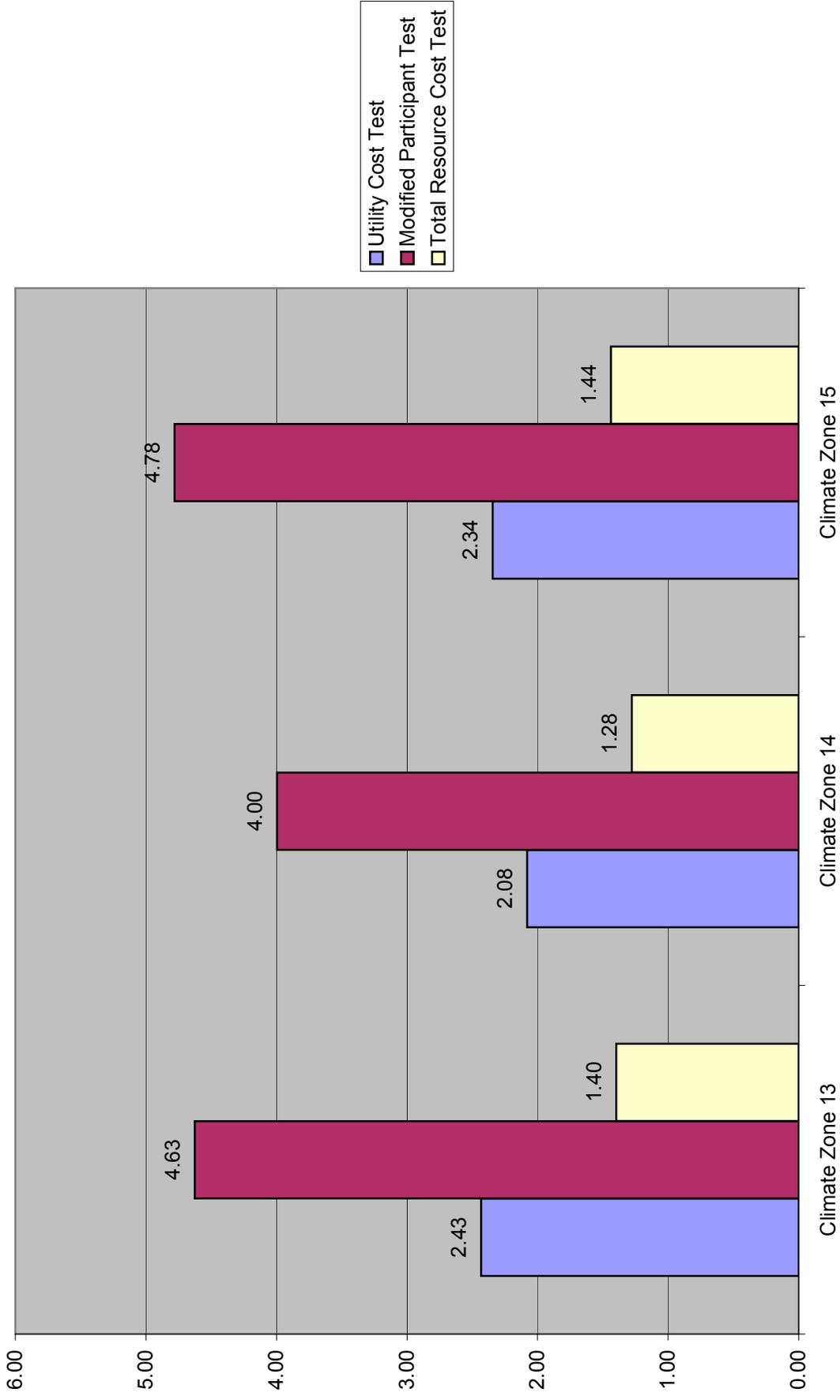
Central AC Installation Mobile Home 2011



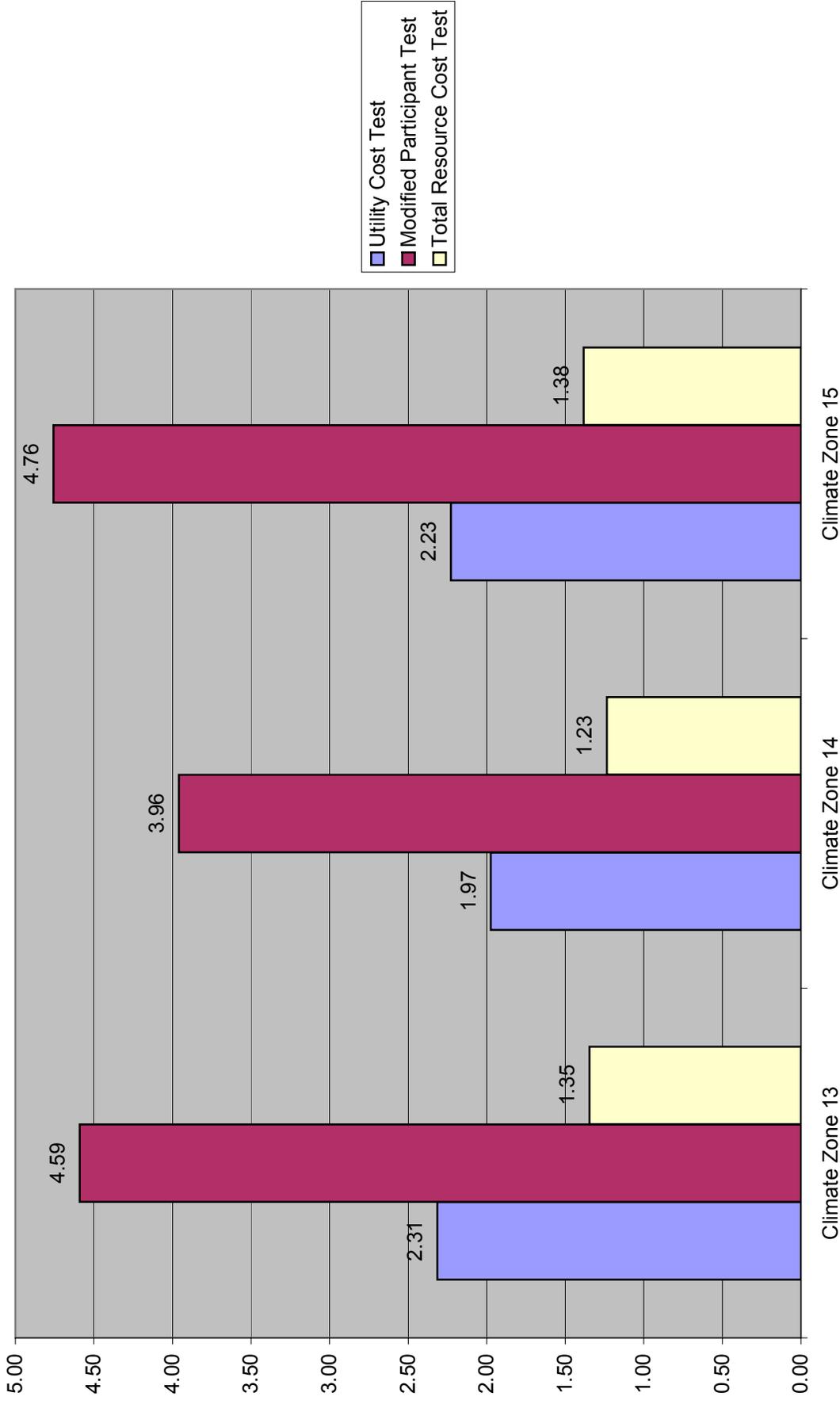
Central AC Service Single Family 2009



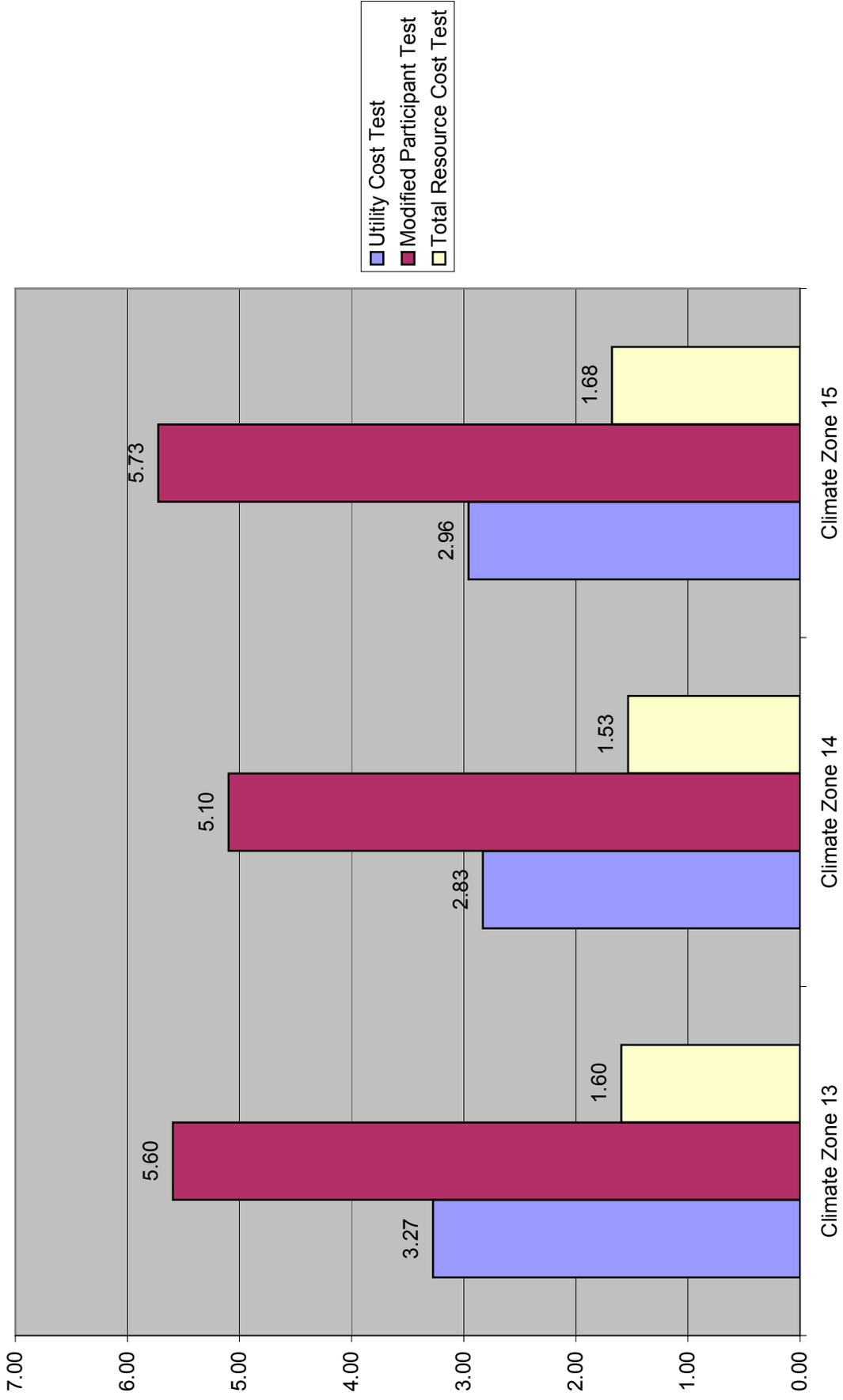
Central AC Service Single Family 2010



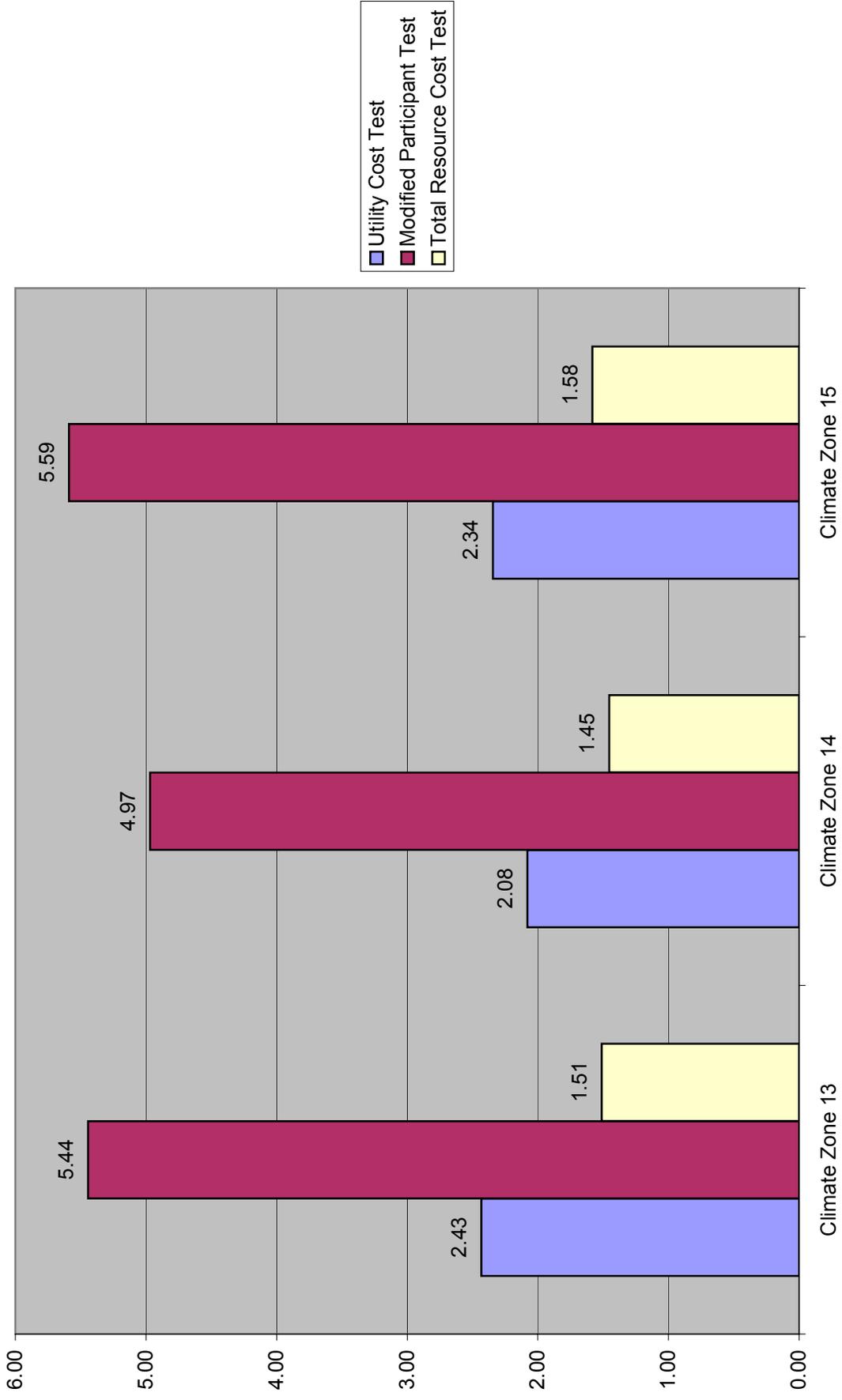
Central AC Service Single Family 2011



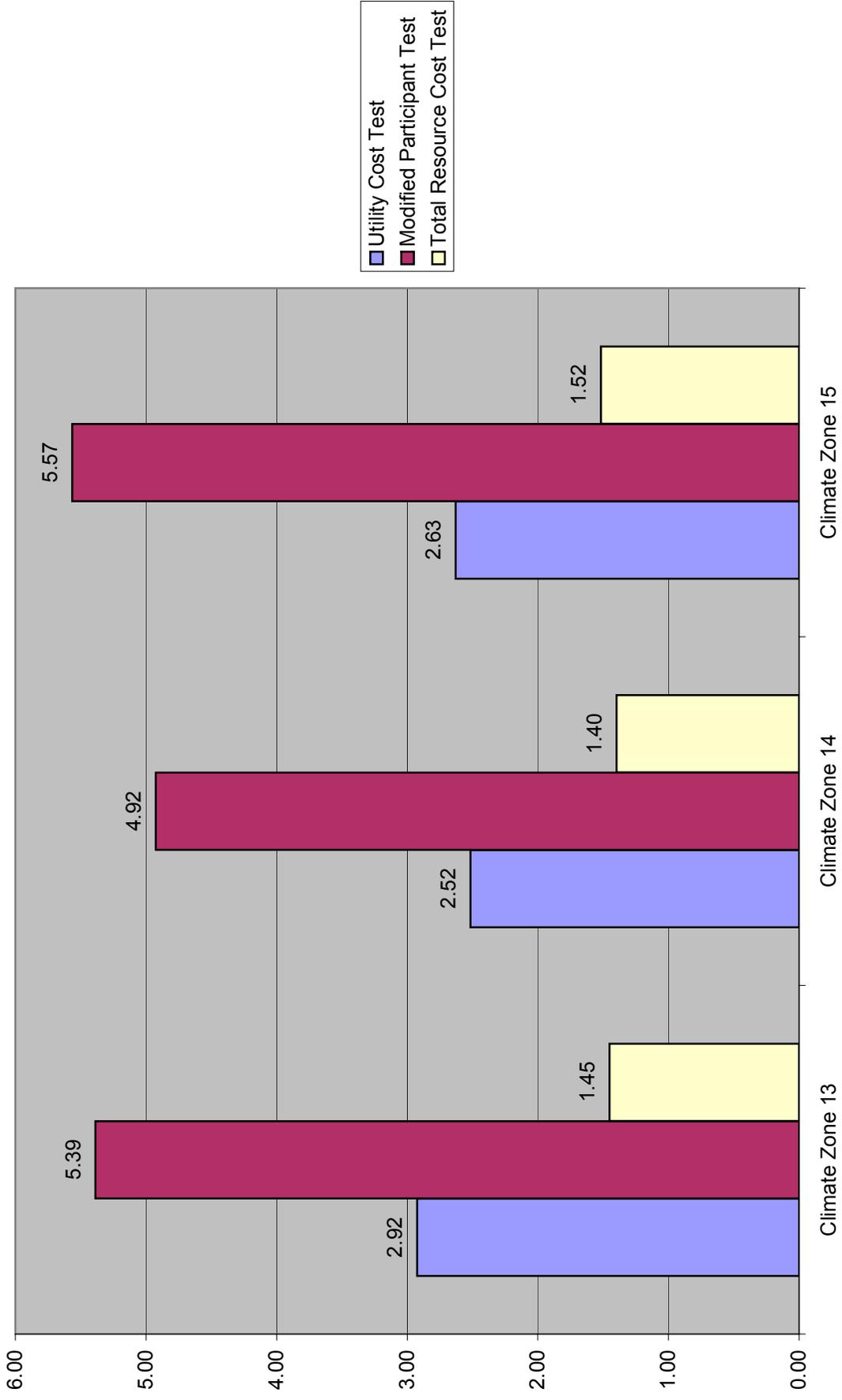
Central AC Service Mobile Home 2009



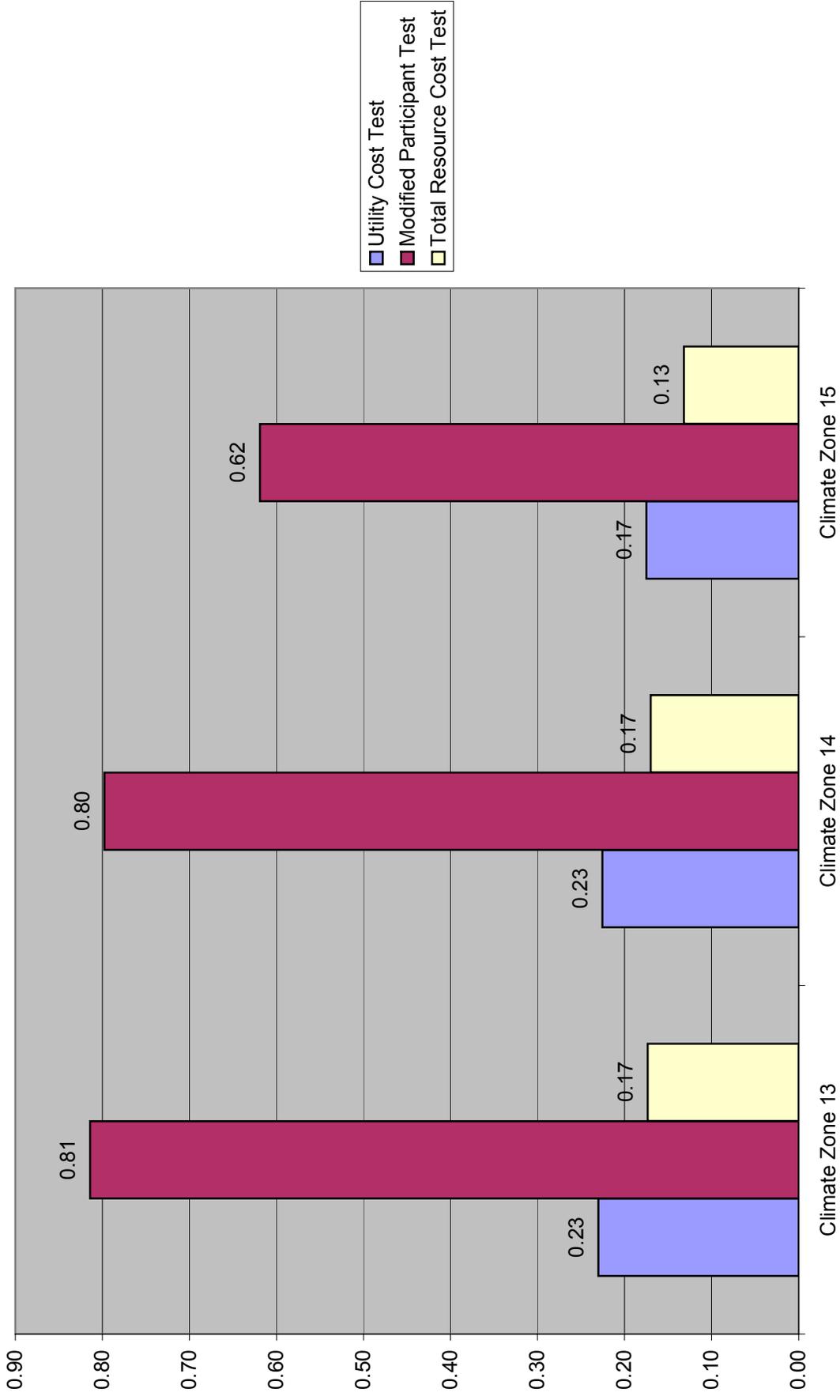
Central AC Service Mobile Home 2010



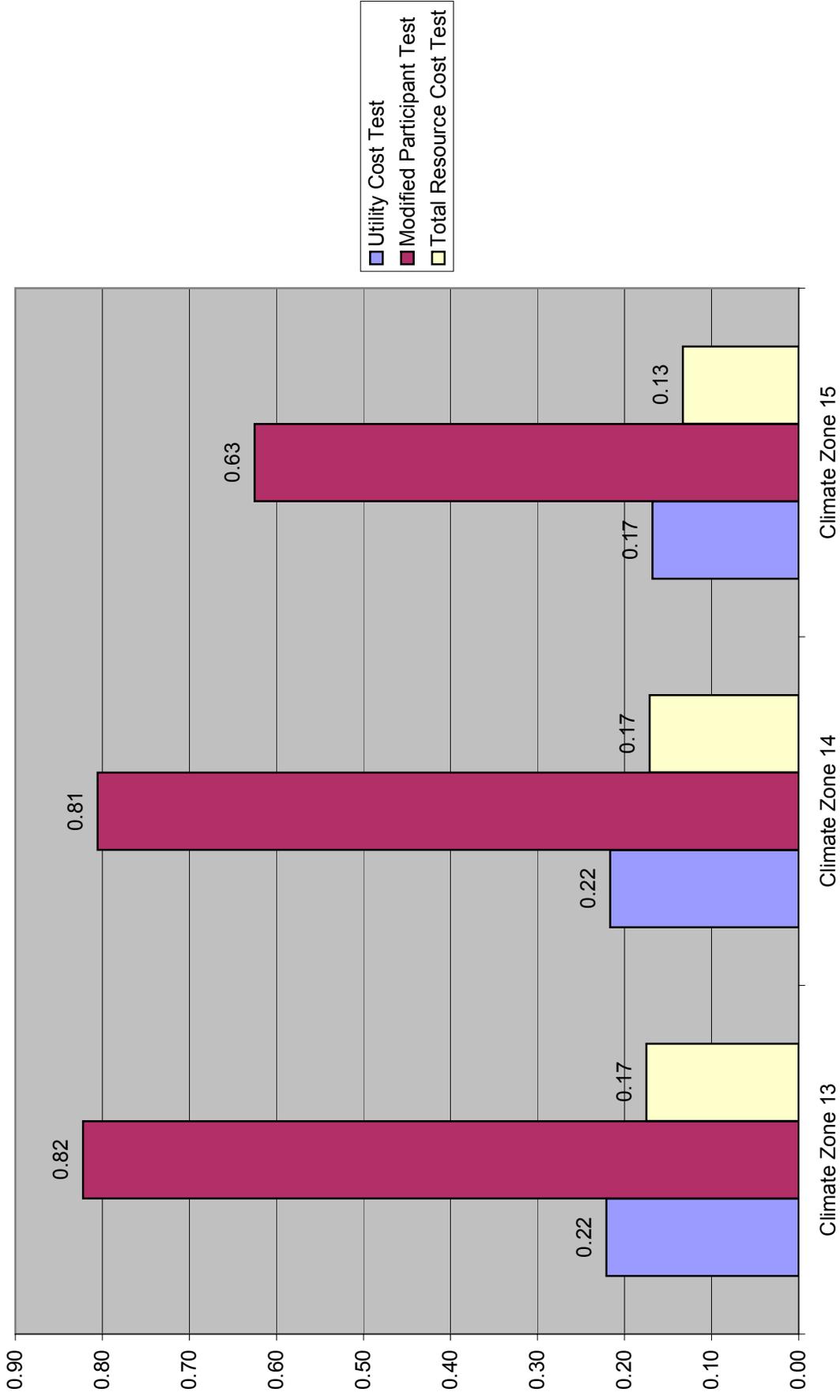
Central AC Service Mobile Home 2011



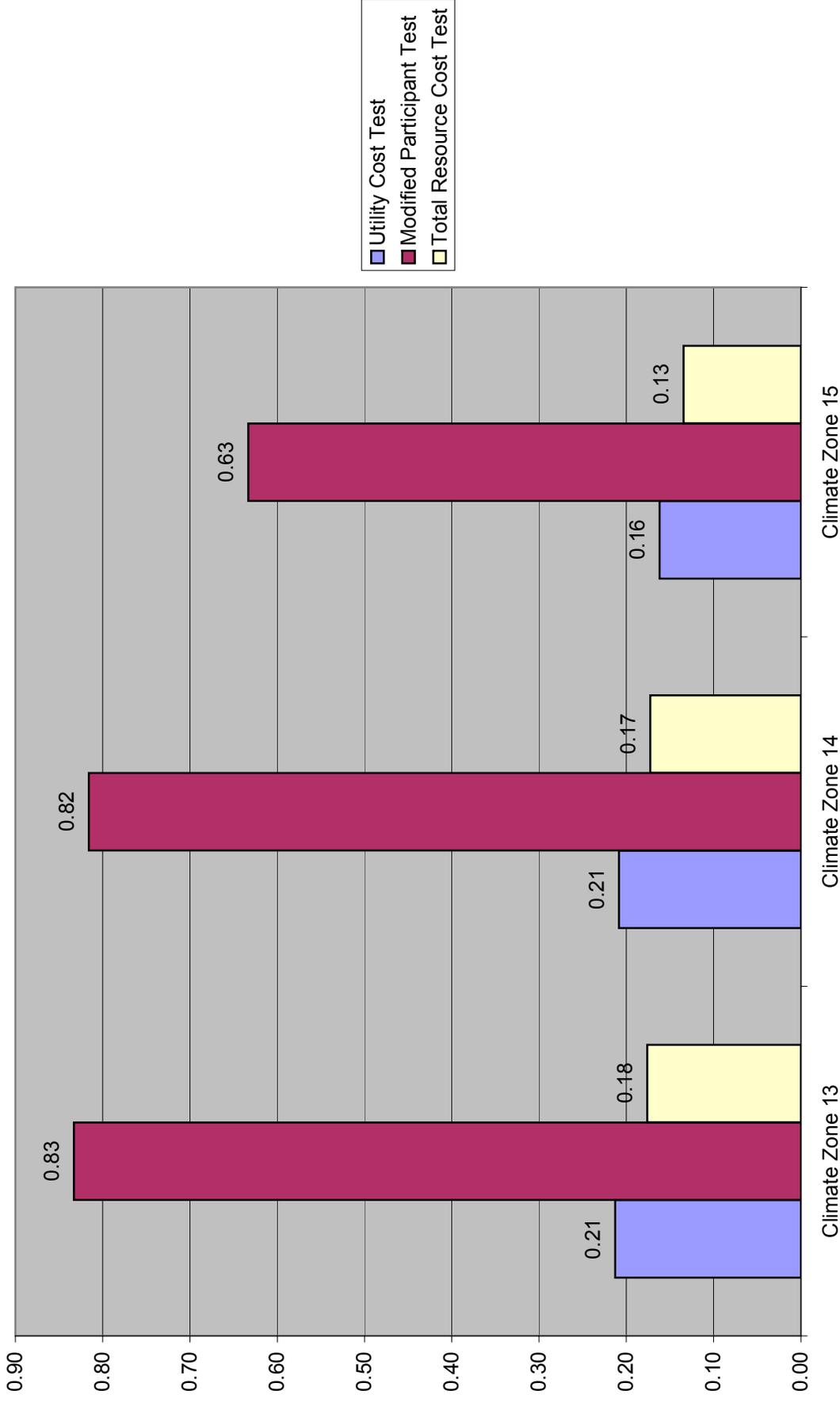
Heat Pump Replacement Single Family 2009



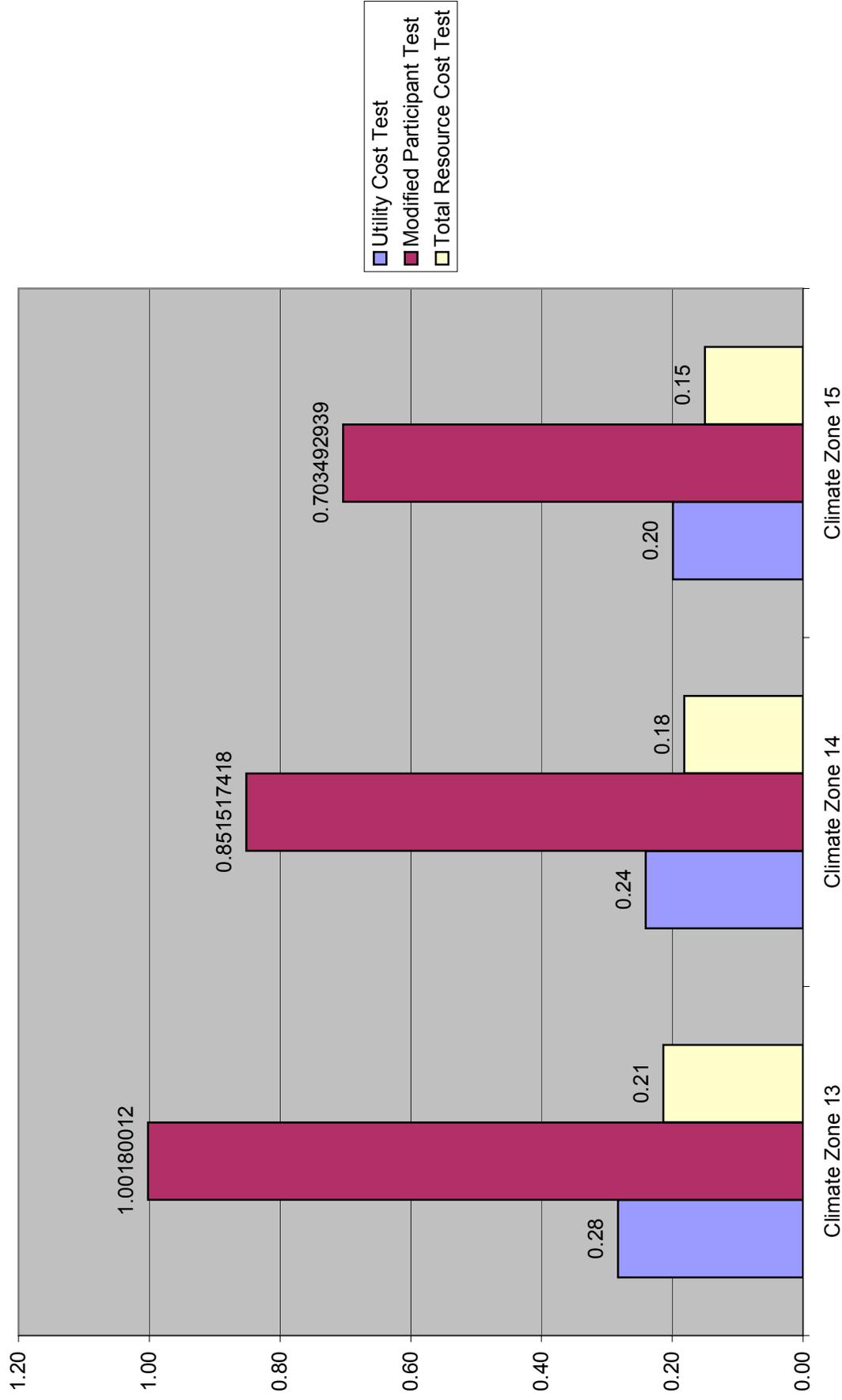
Heat Pump Replacement Single Family 2010



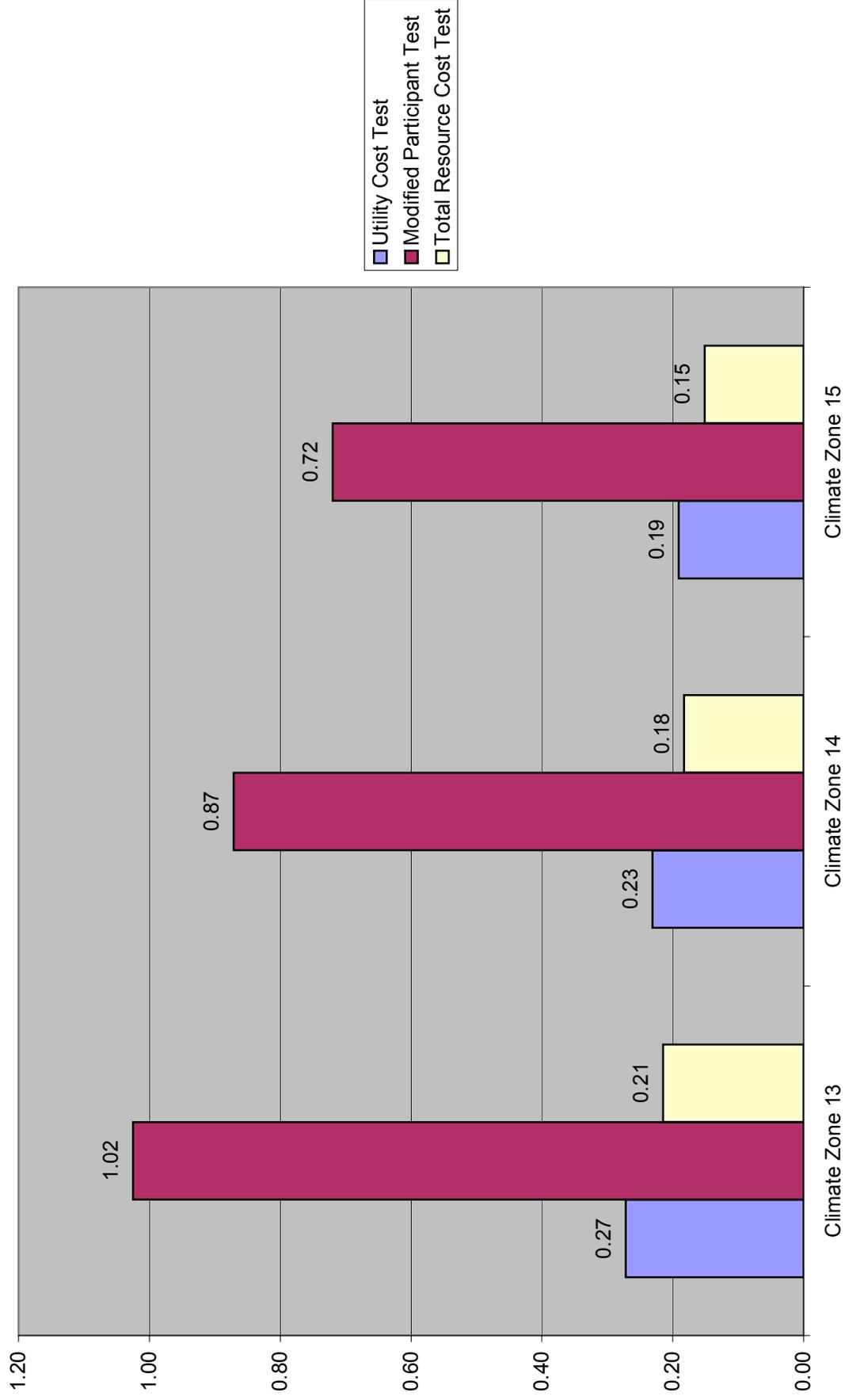
Heat Pump Replacement Single Family 2011



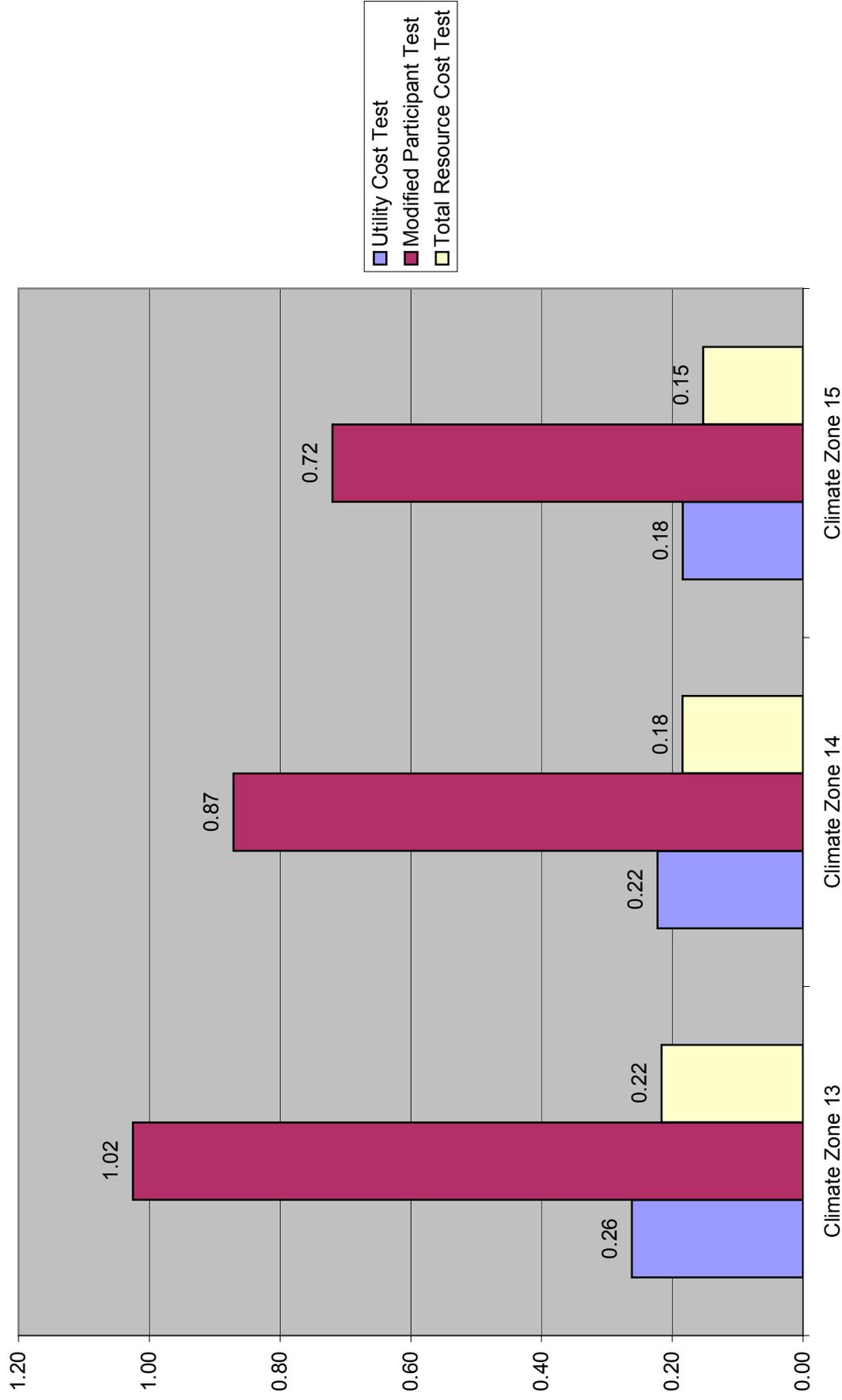
Heat Pump Replacement Multi-Family 2009



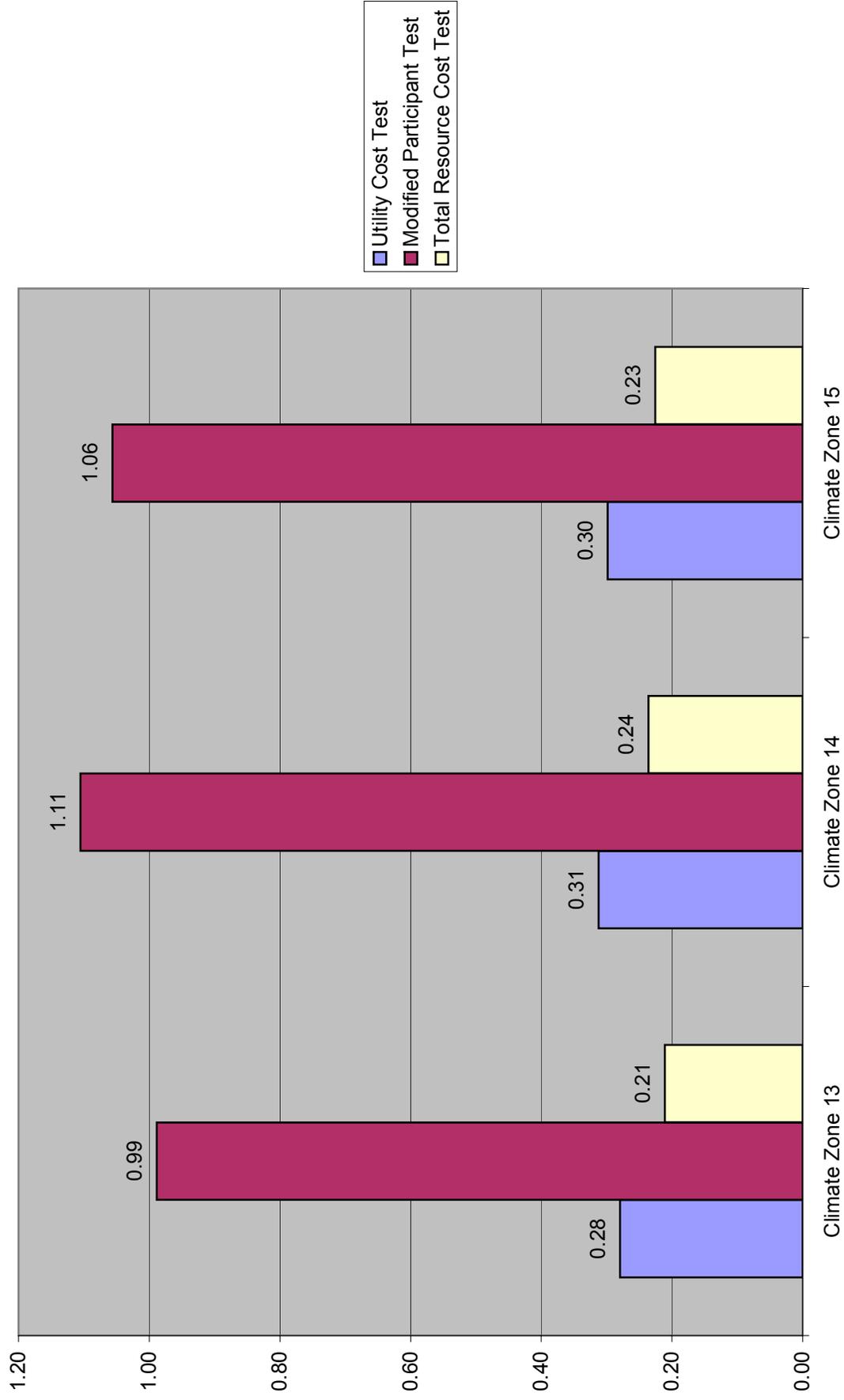
Heat Pump Replacement Multifamily 2010



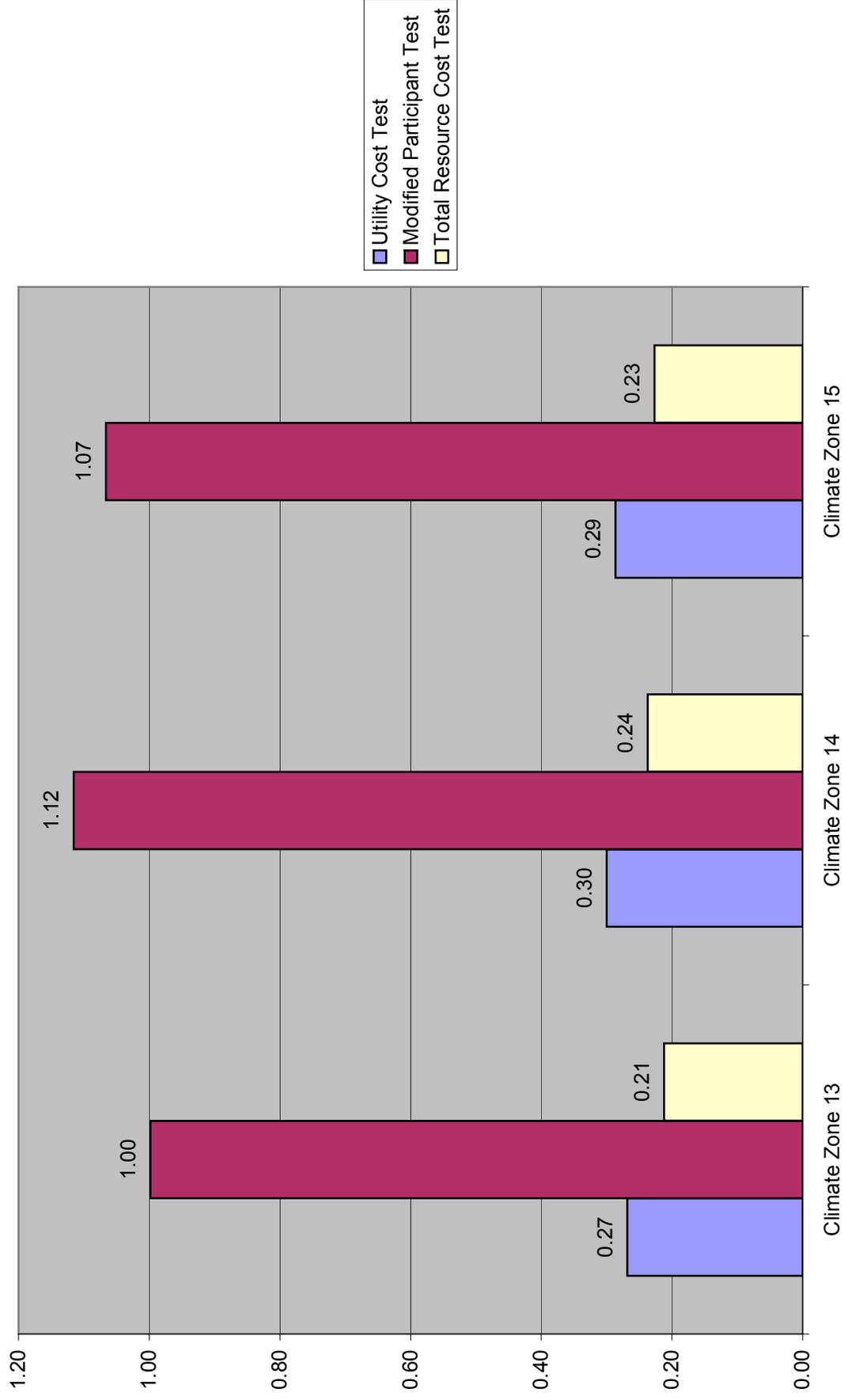
Heat Pump Replacement Multifamily 2011



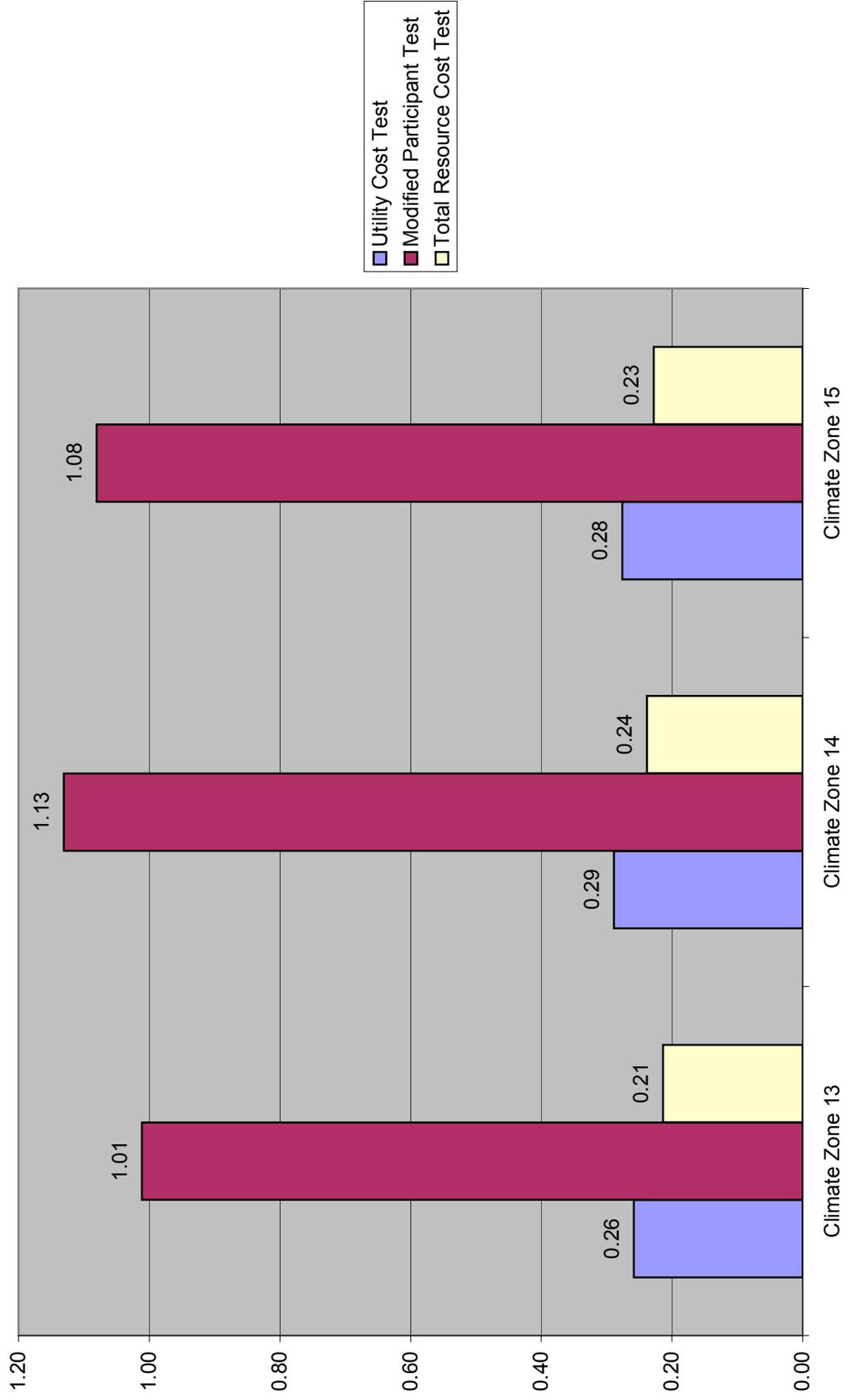
Heat Pump Replacement Mobile Home 2009



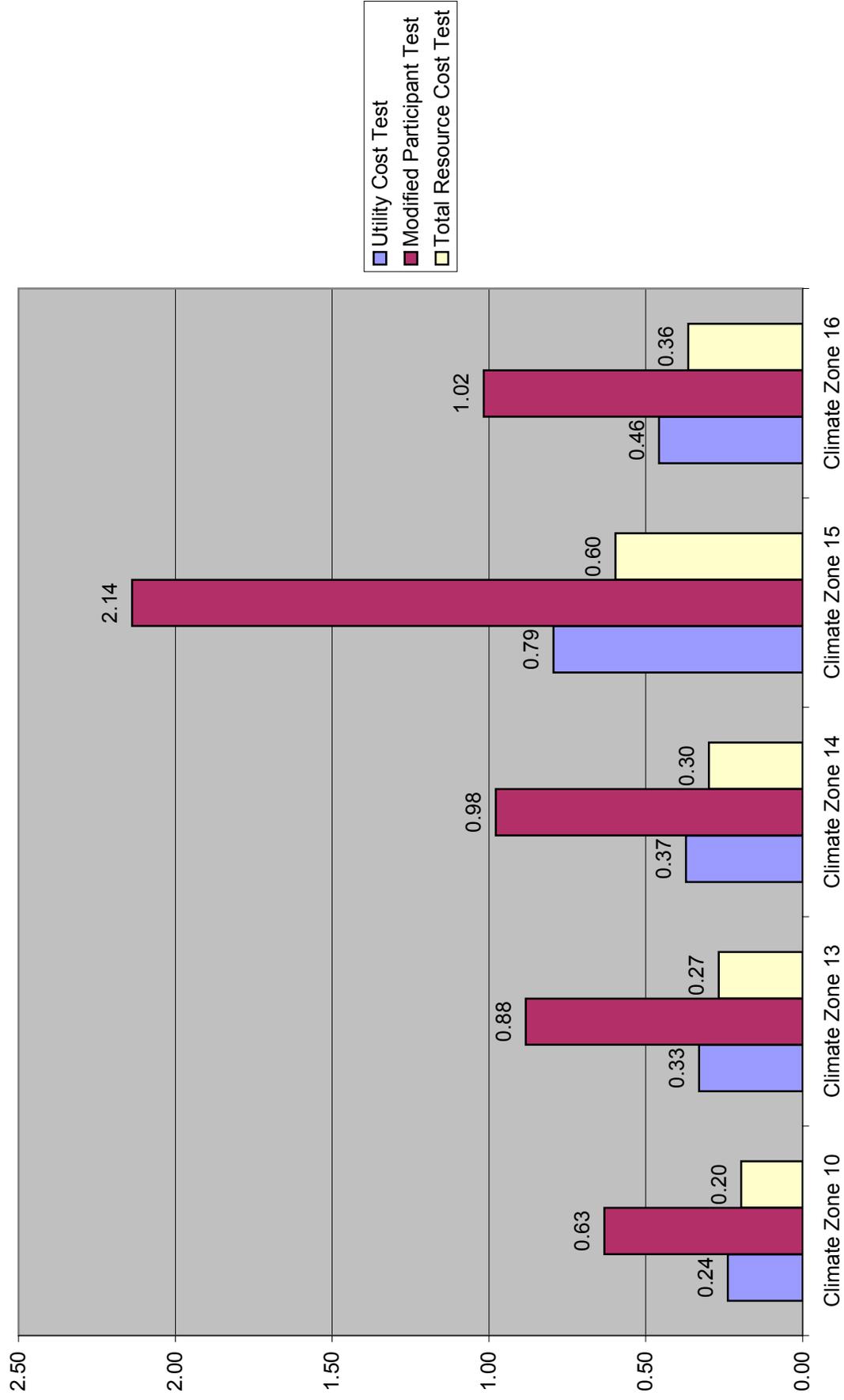
Heat Pump Replacement Mobile Home 2010



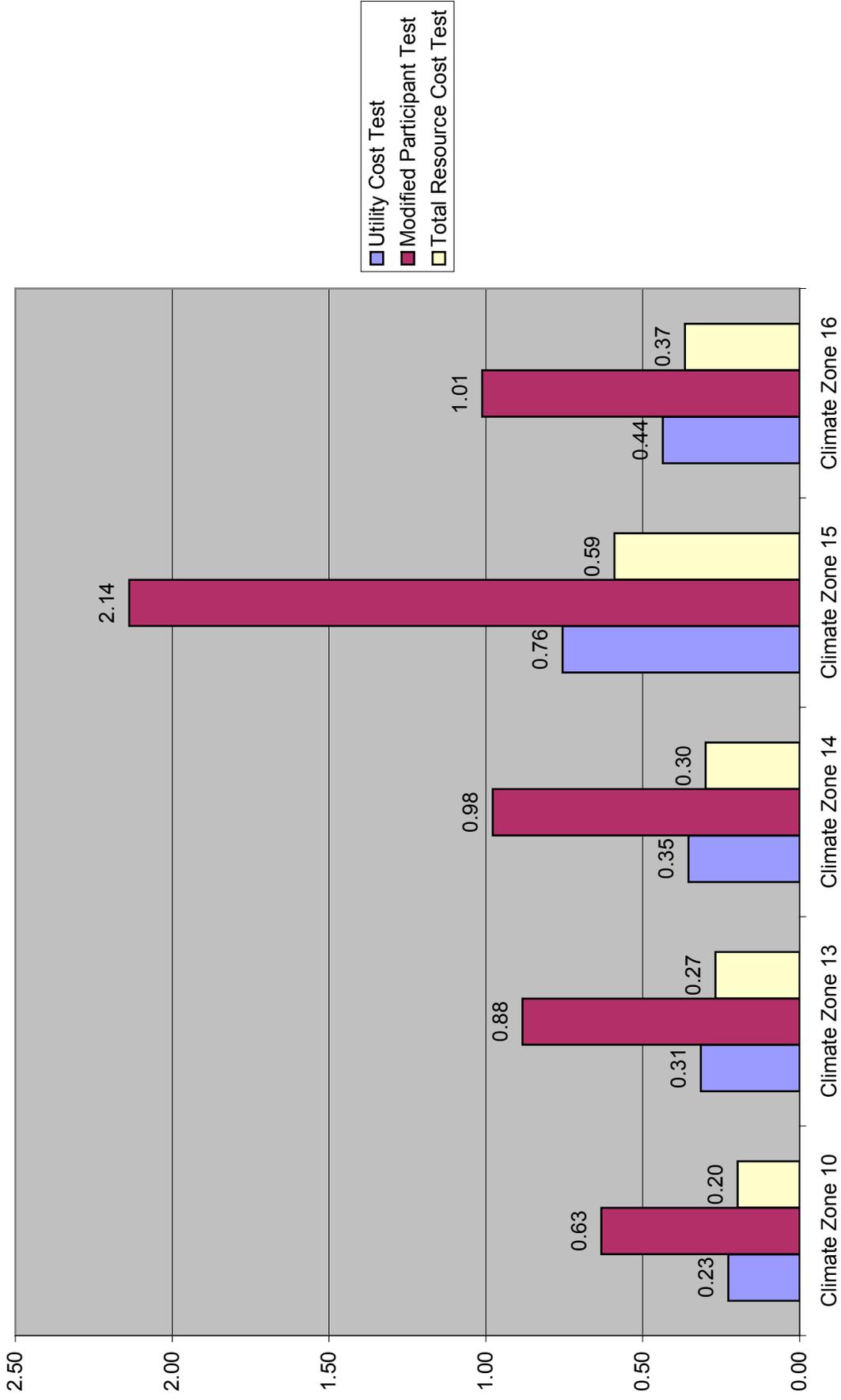
Heat Pump Replacement Mobile Home 2011



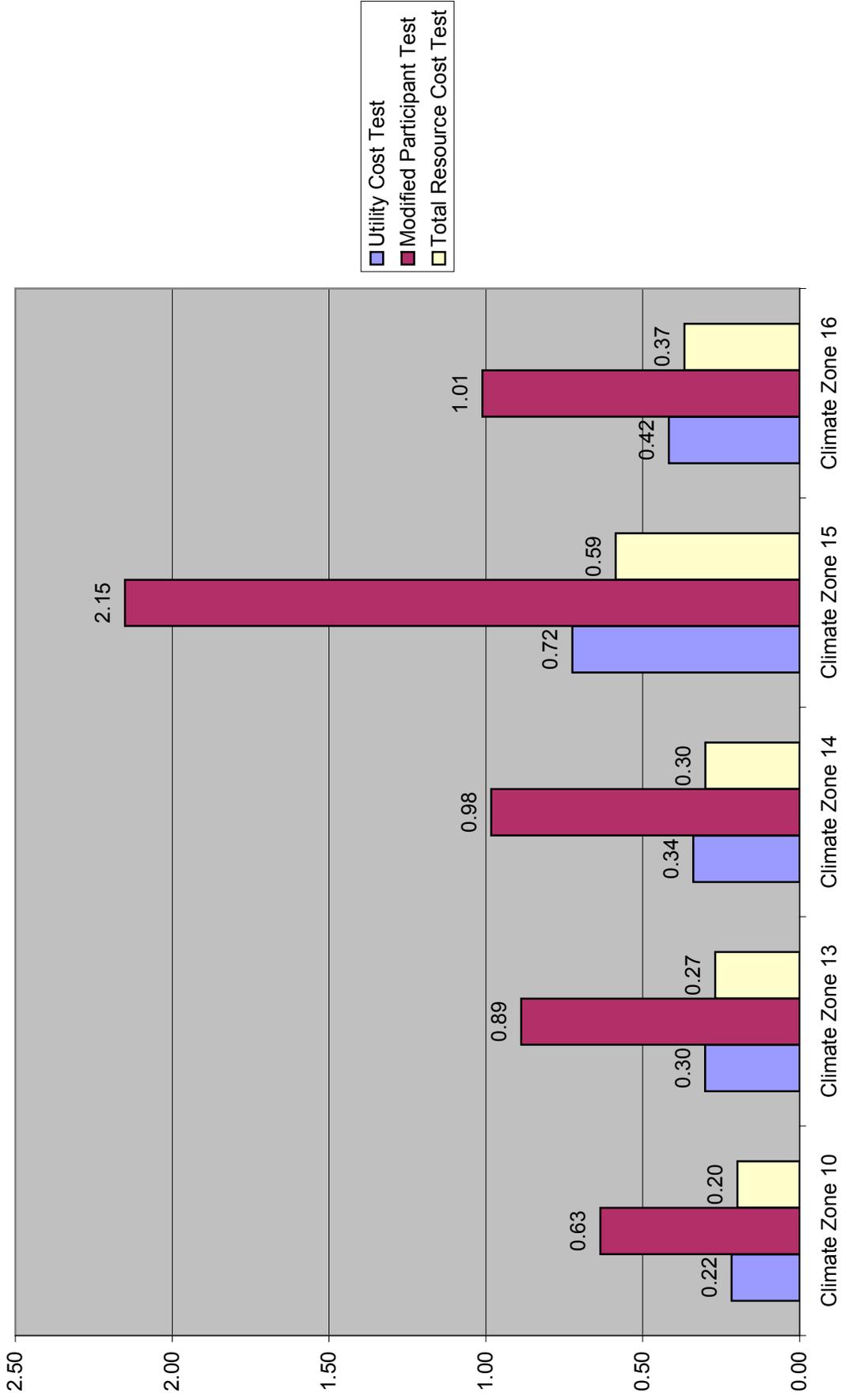
Evap Cooler Installation Single Family 2009



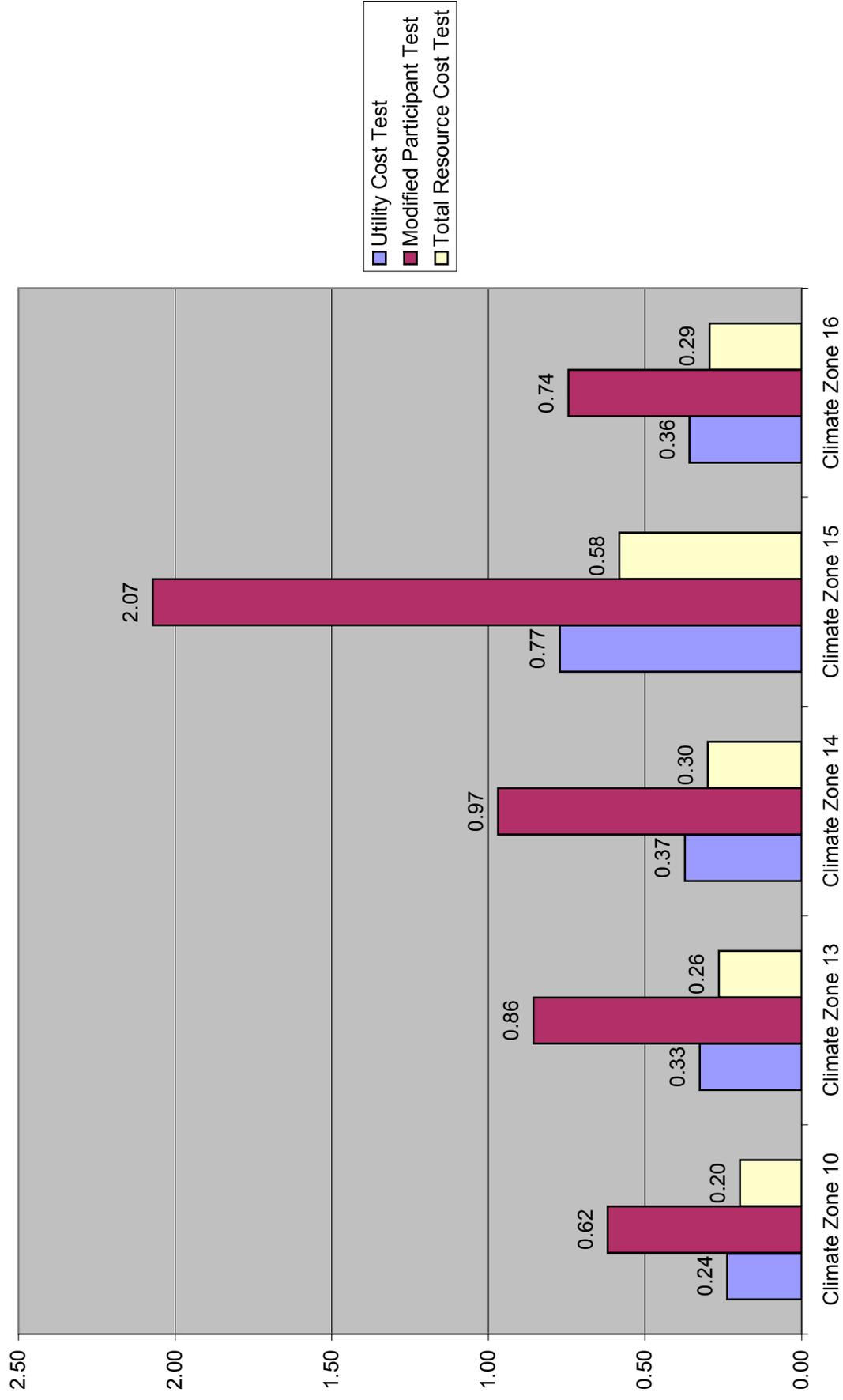
Evap Cooler Installation Single Family 2010



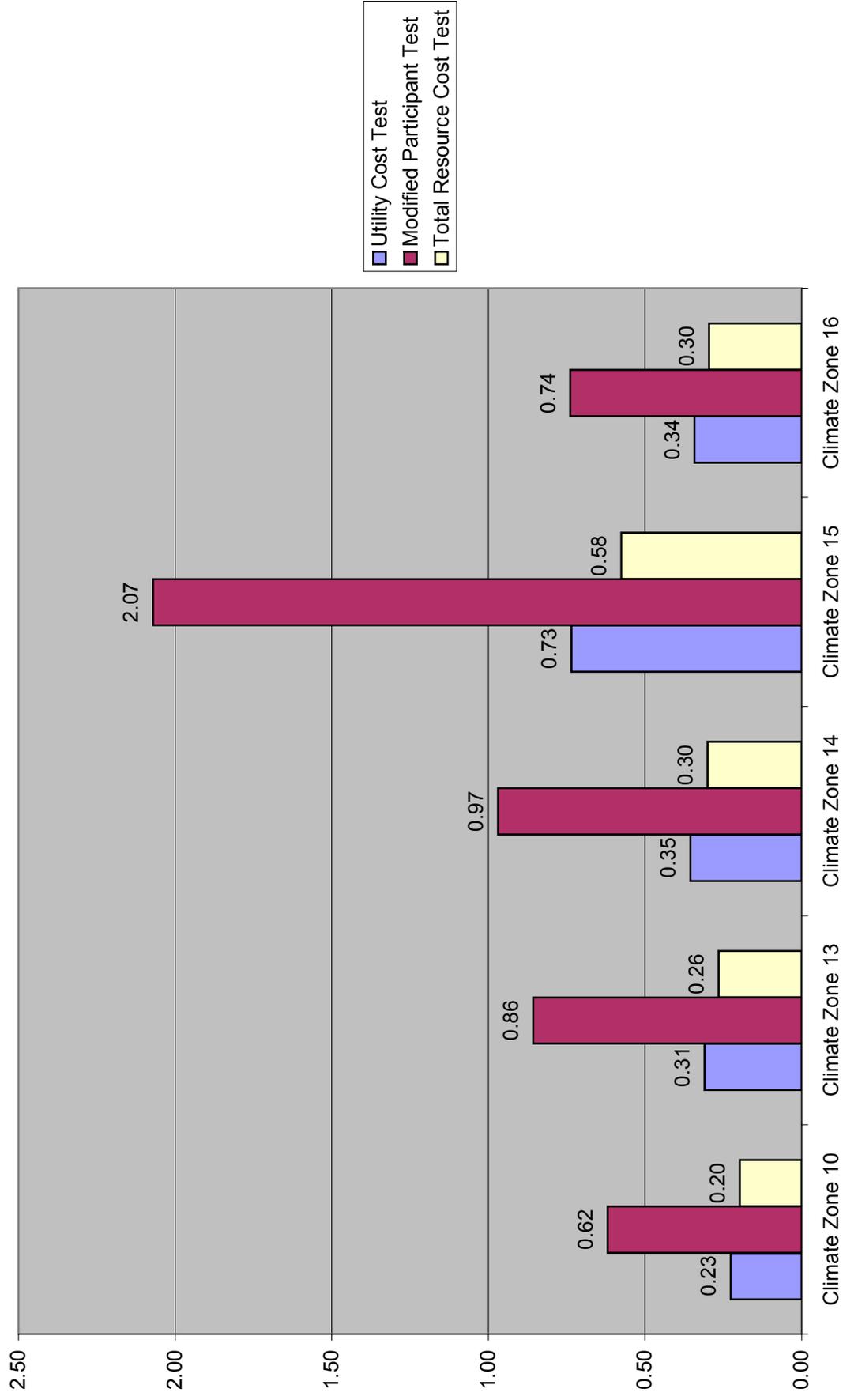
Evap Cooler Installation Single Family 2011



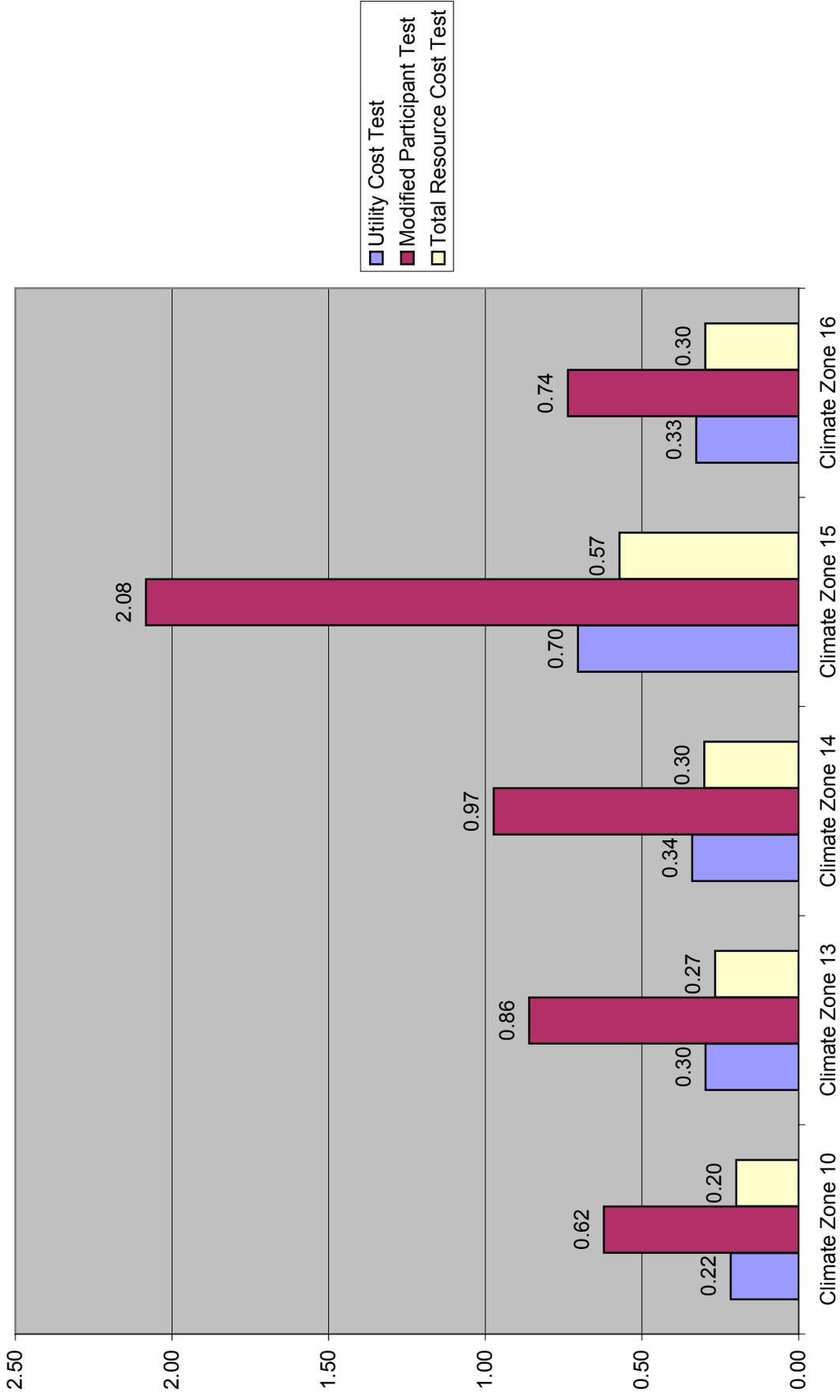
Evap Cooler Installation Mobile Home 2009



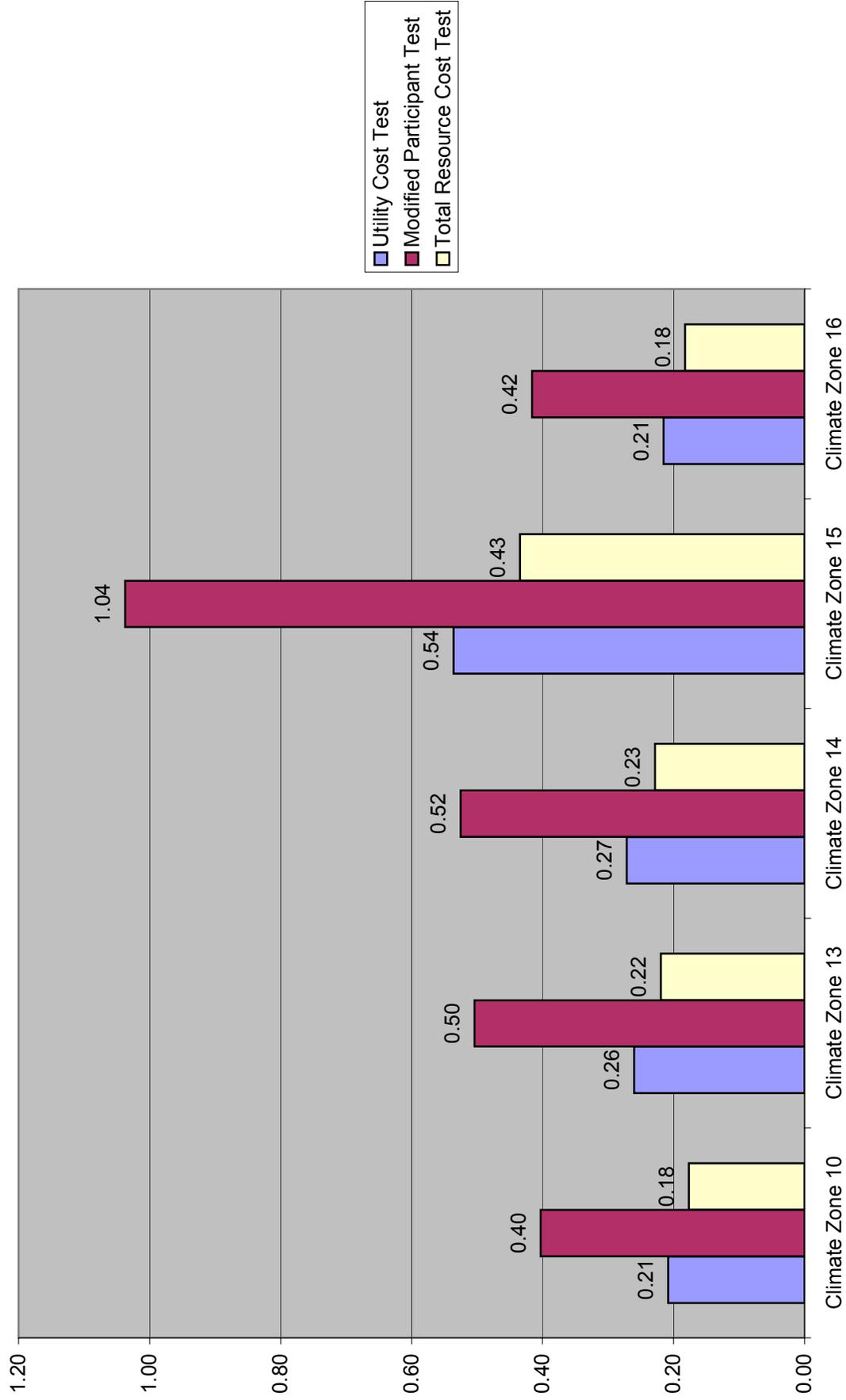
Evap Cooler Installation Mobile Home 2010



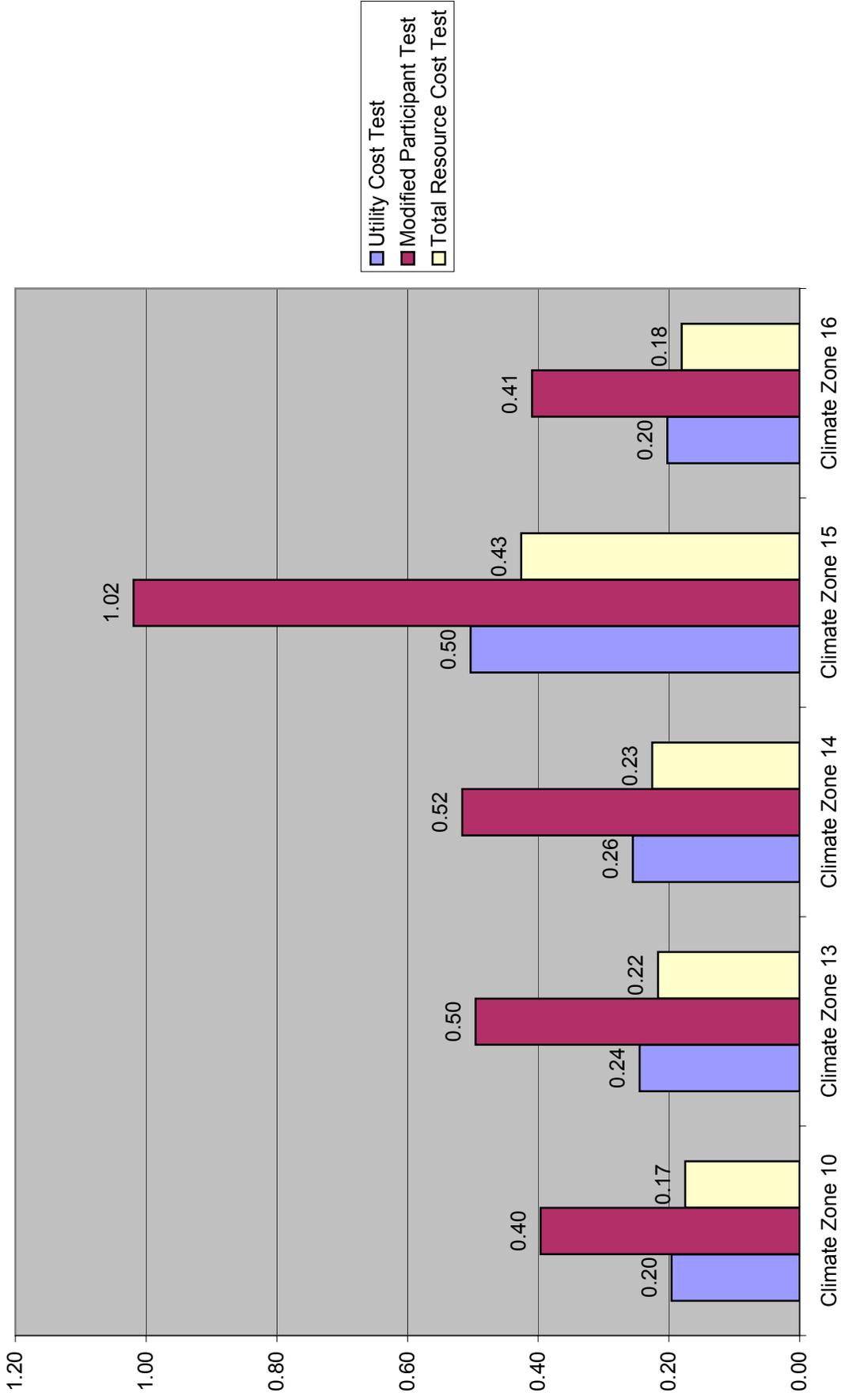
Evap Cooler Installation Mobile Home 2011



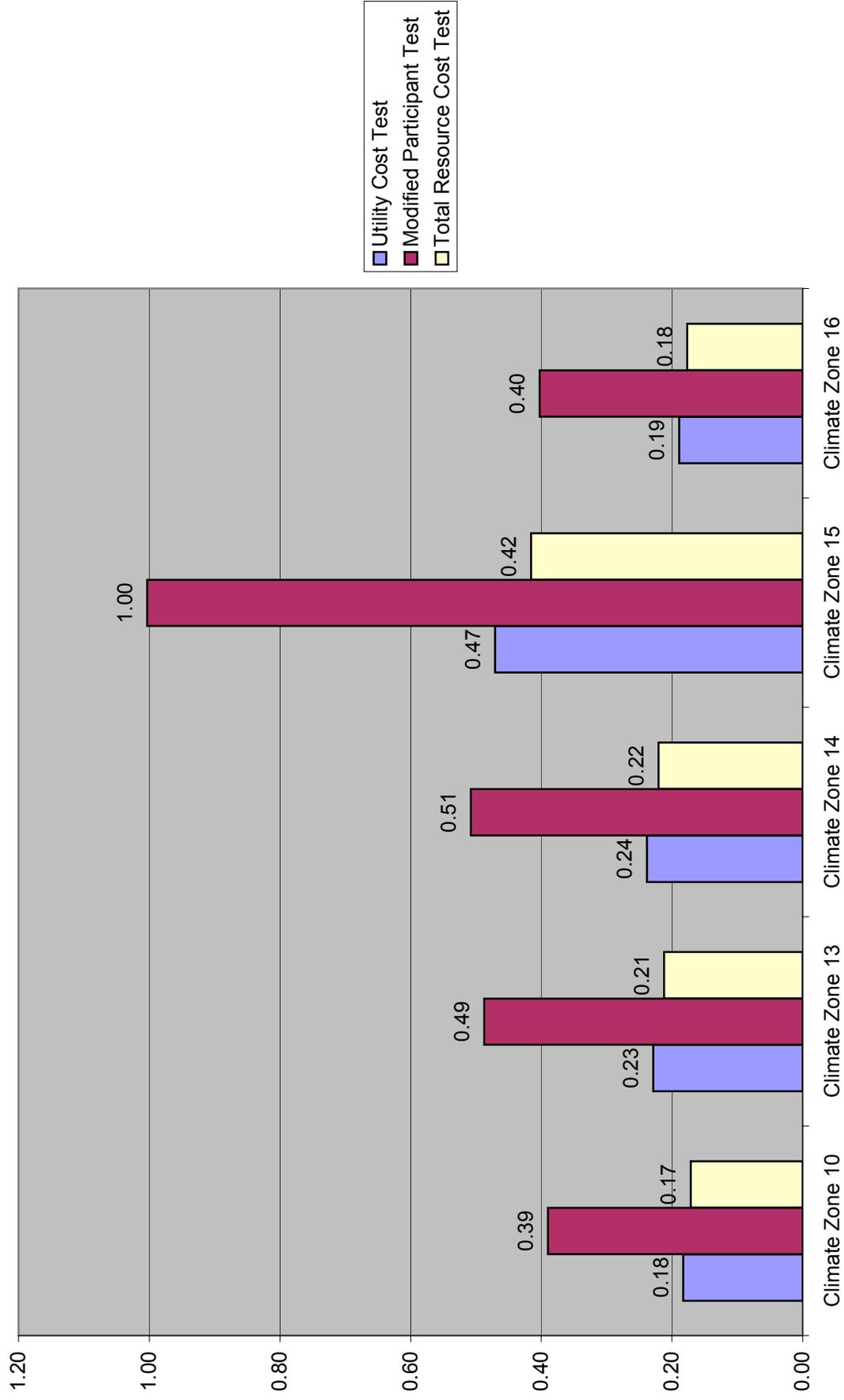
Evap Cooler Maintenance Single Family 2009



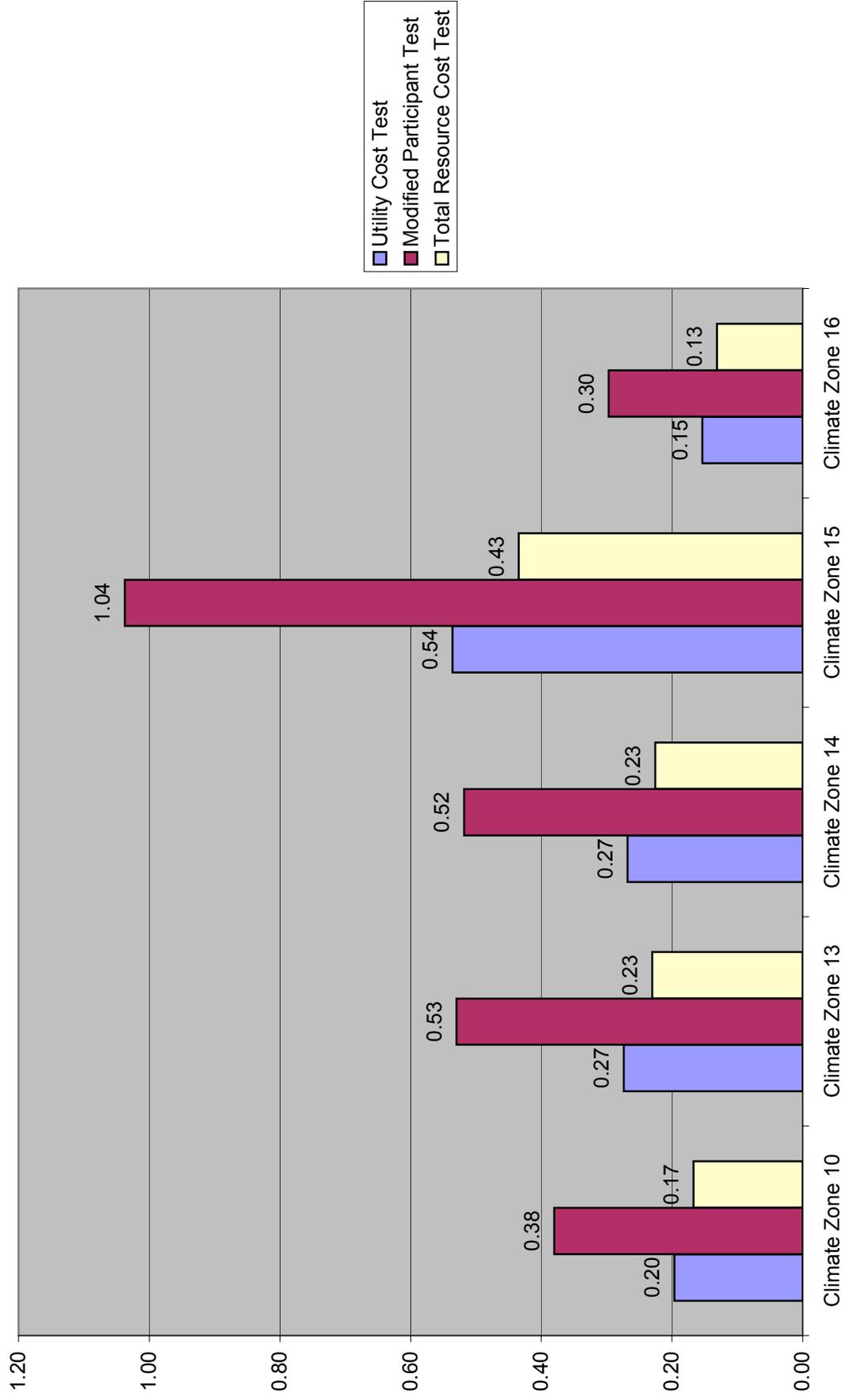
Evap Cooler Maintenance Single Family 2010



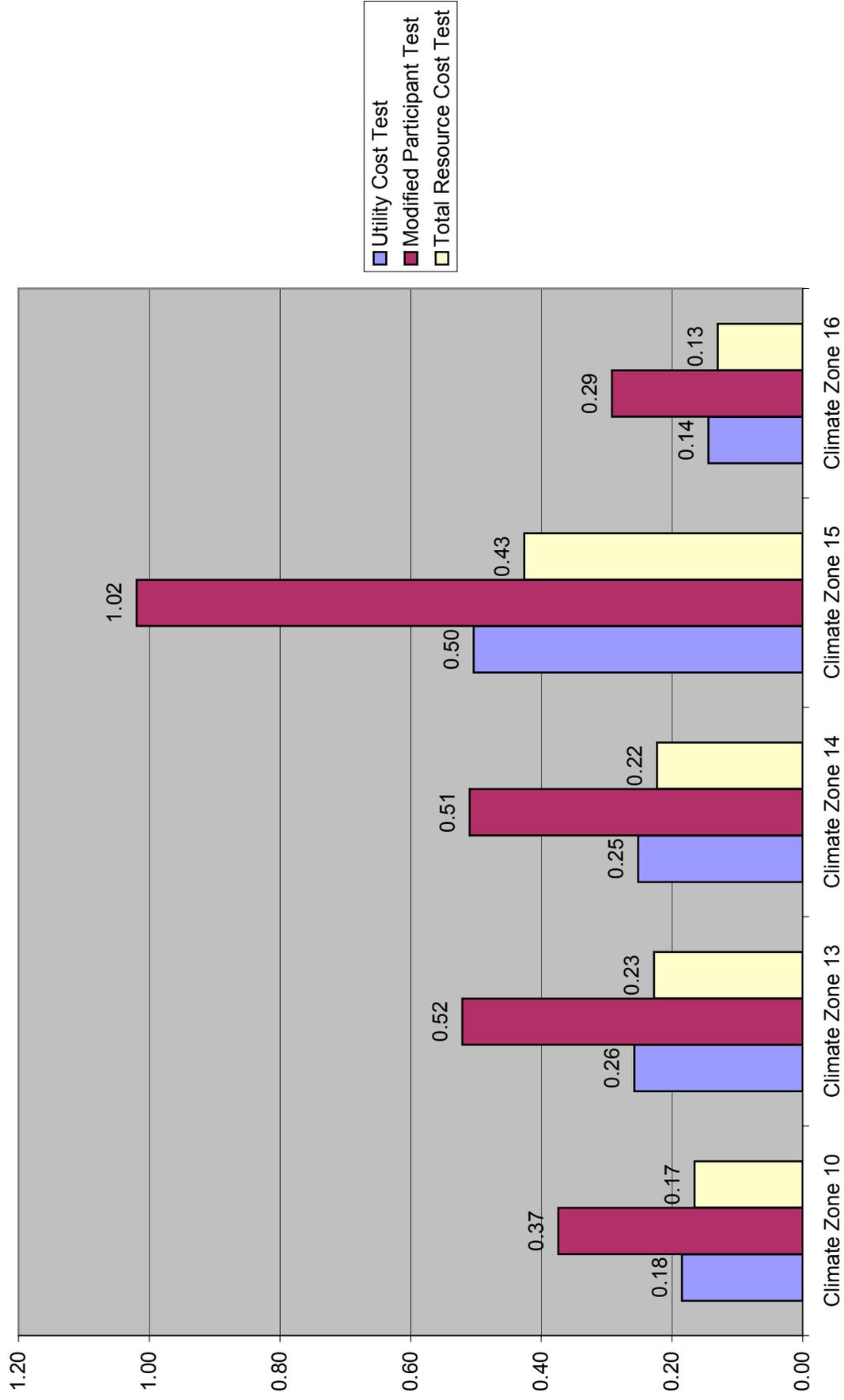
Evap Cooler Maintenance Single Family 2011



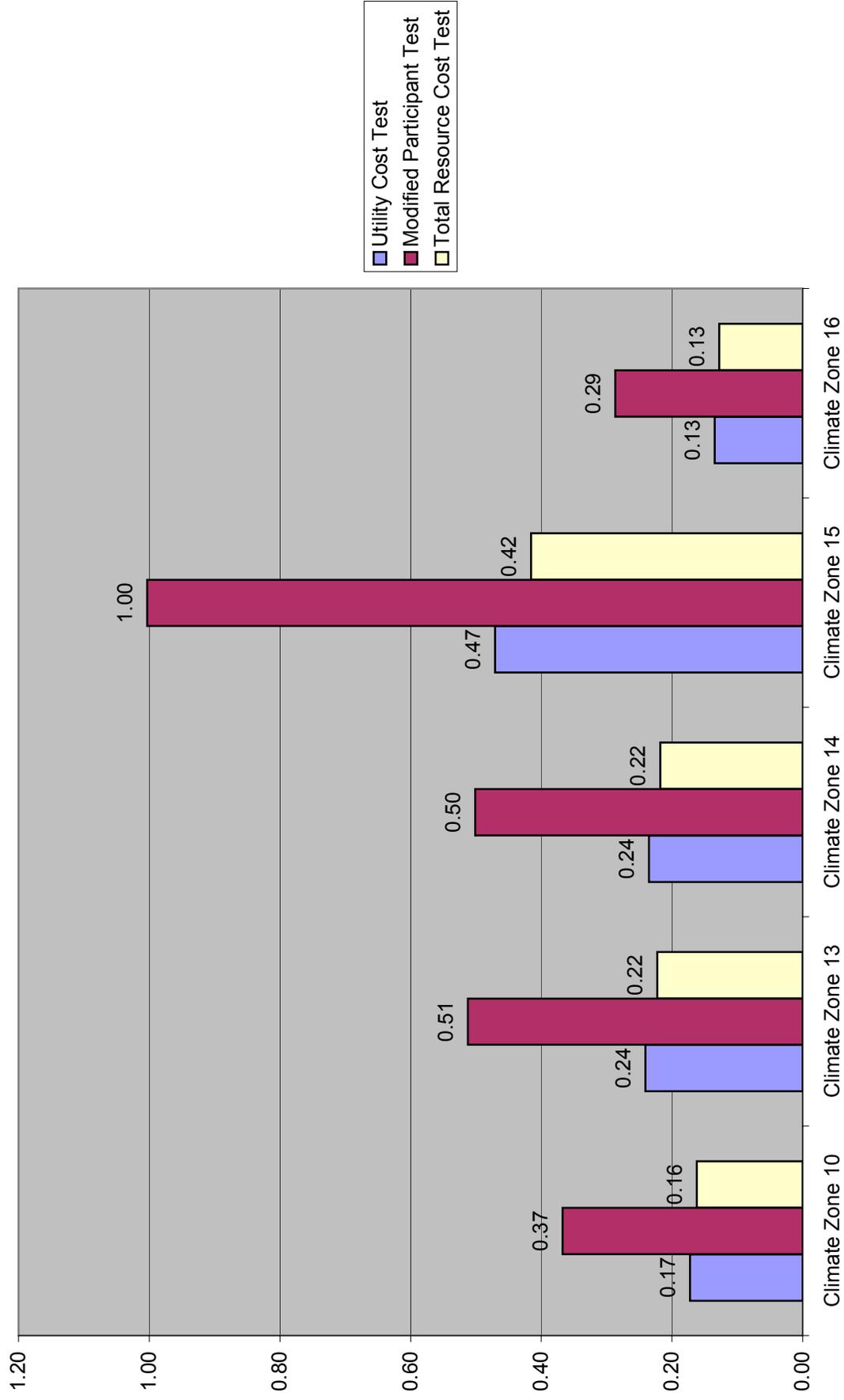
Evap Cooler Maintenance Mobile Home 2009



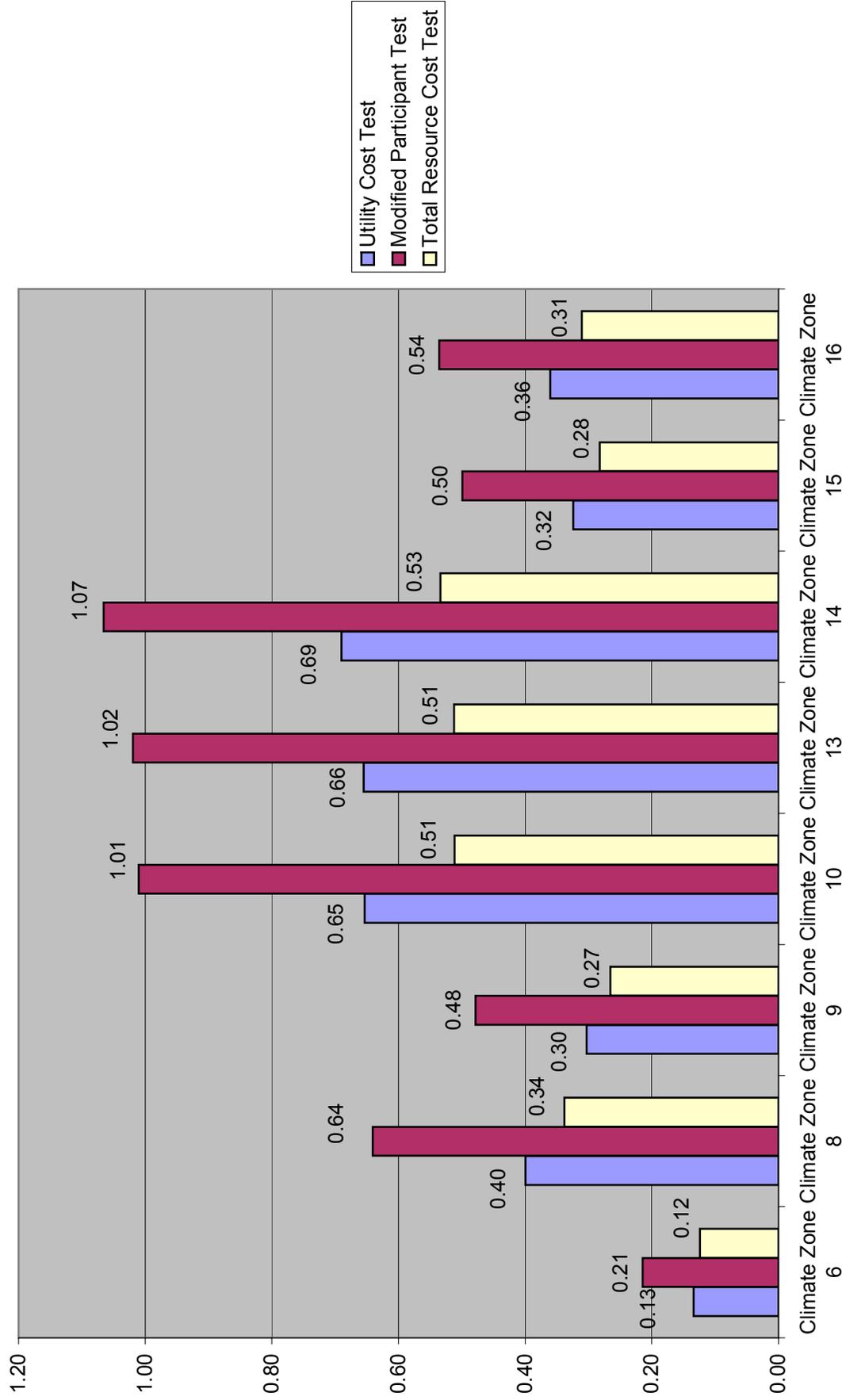
Evap Cooler Maintenance Mobile Home 2010



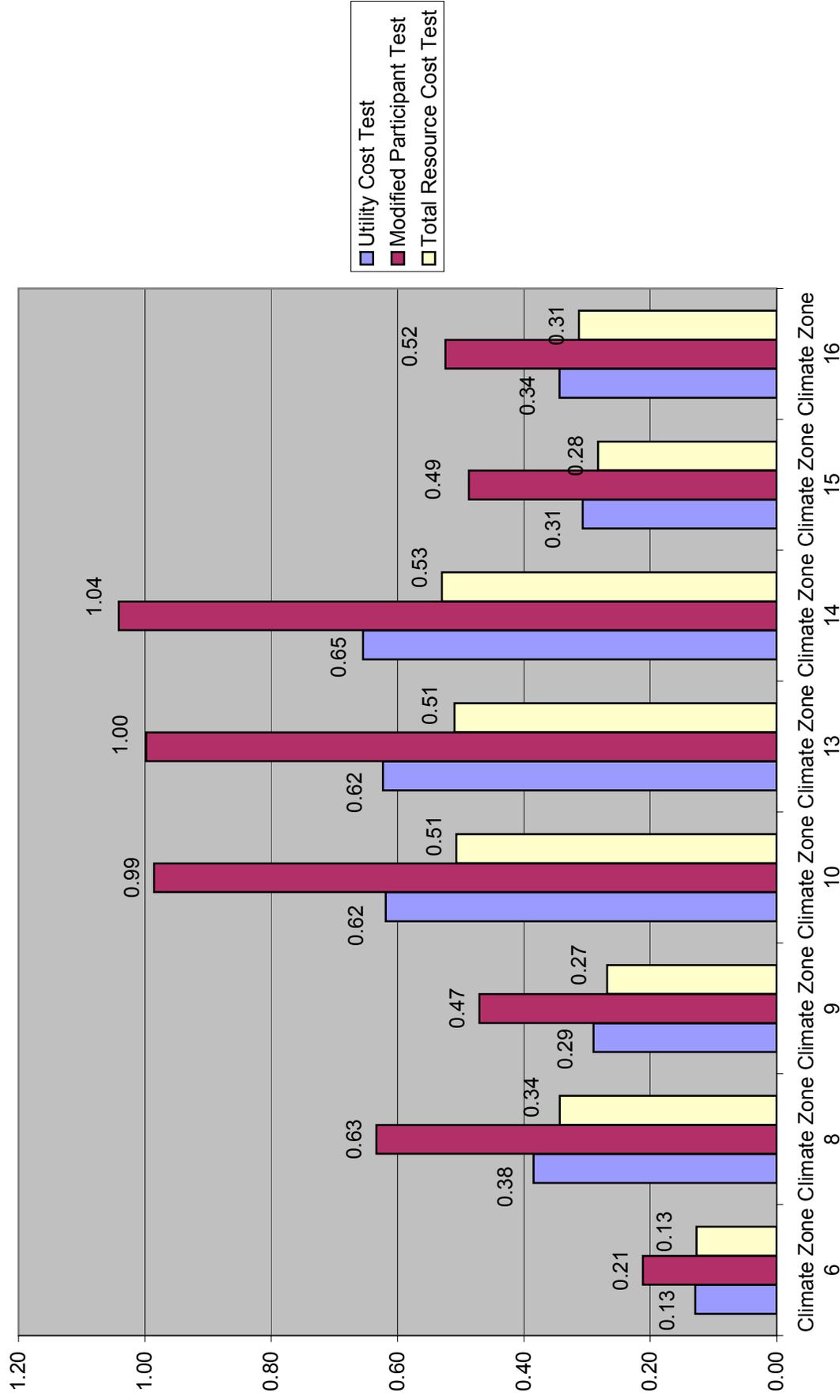
Evap Cooler Maintenance Mobile Home 2011



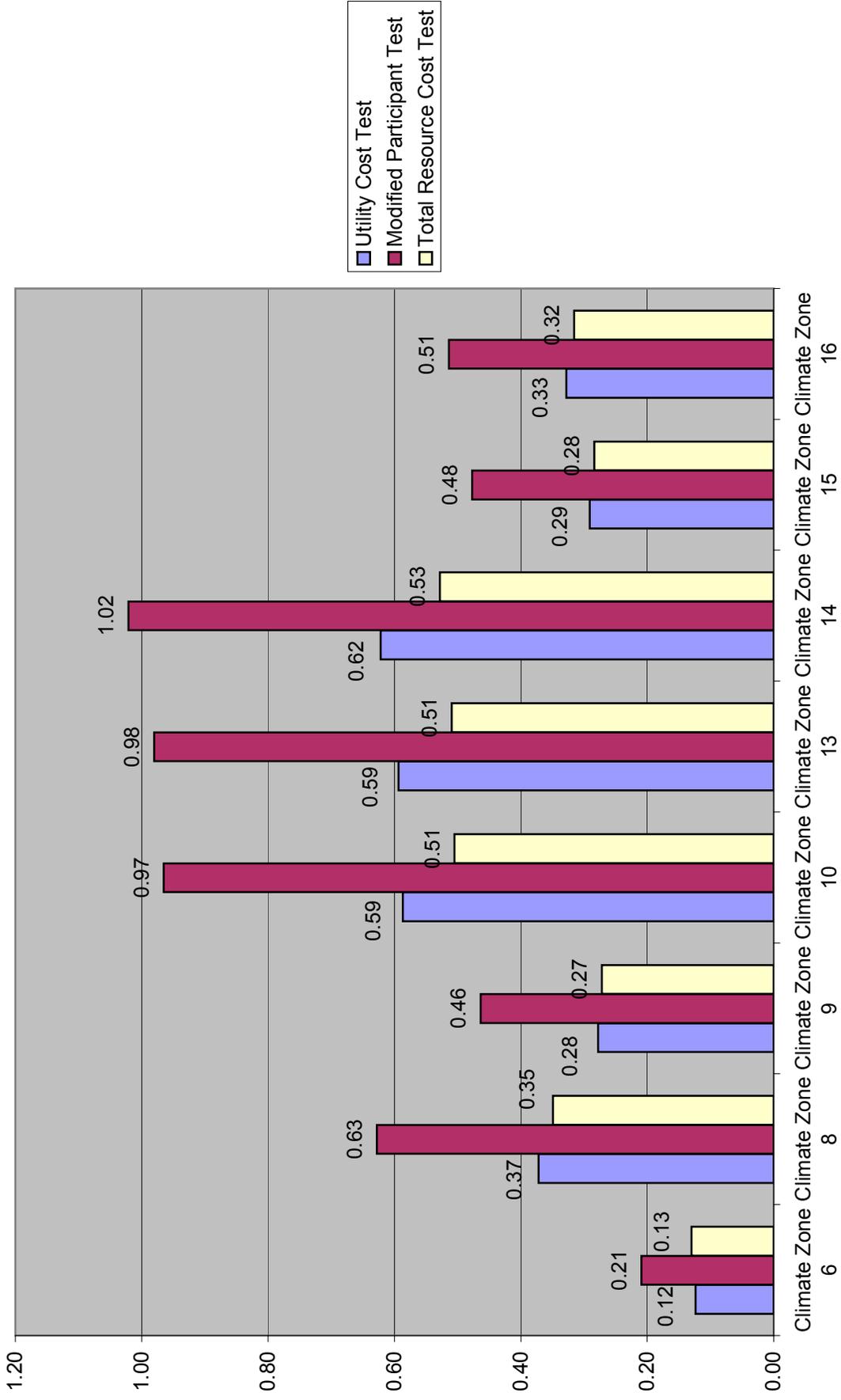
Envelope & Air Sealing Single Family 2009



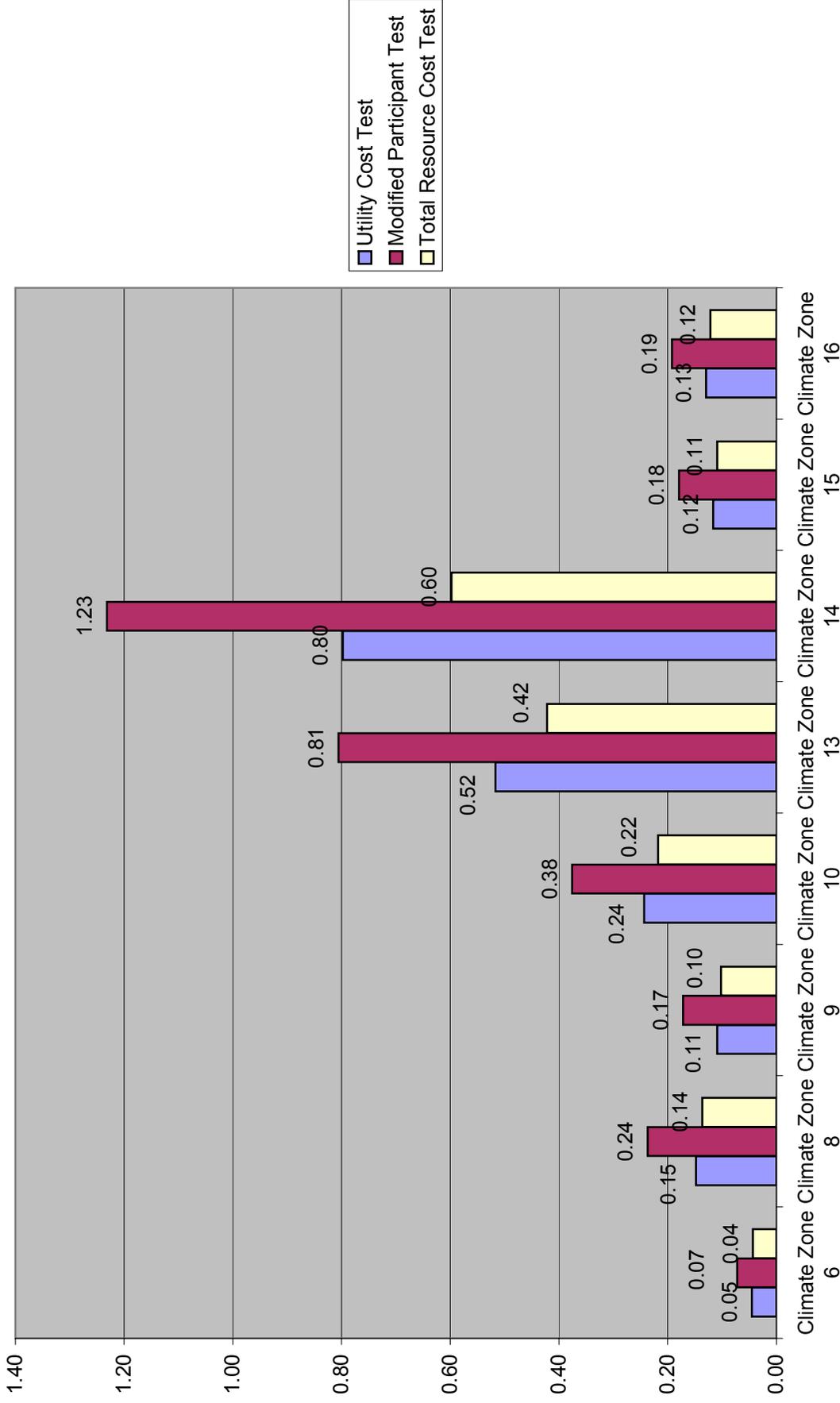
Envelope & Air Sealing Single Family 2010



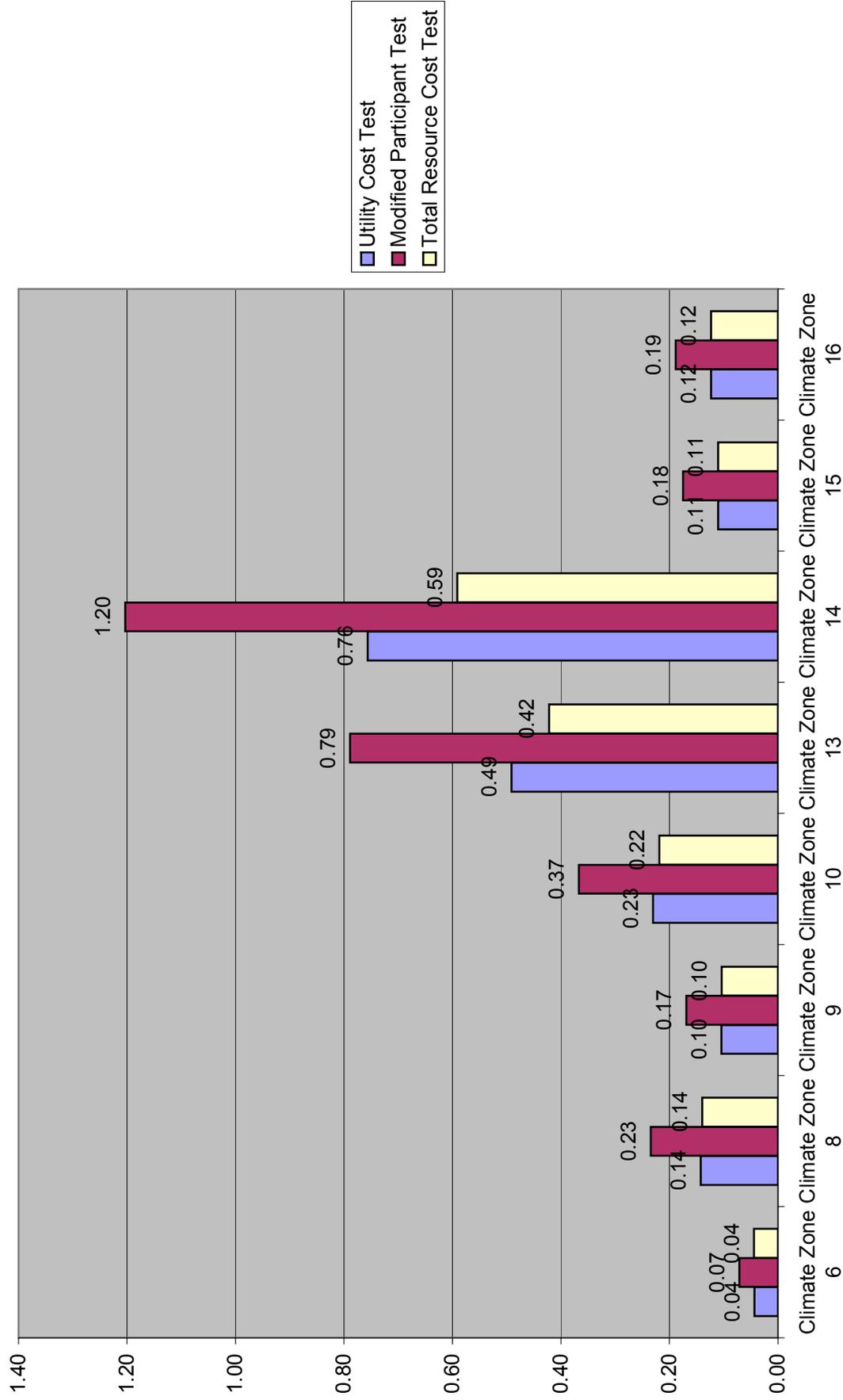
Envelope & Air Sealing Single Family 2011



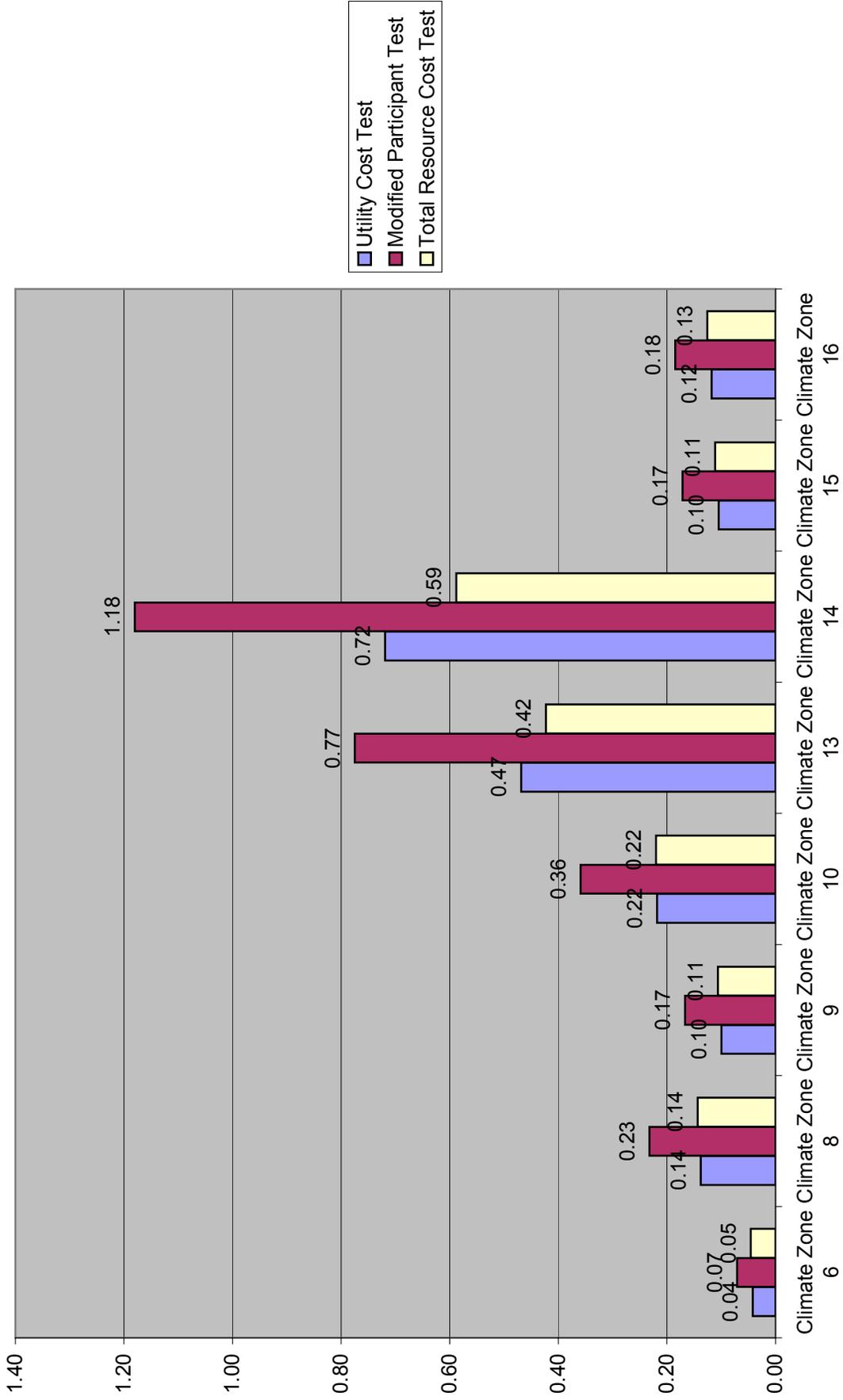
Envelope & Air Sealing Multi-Family 2009



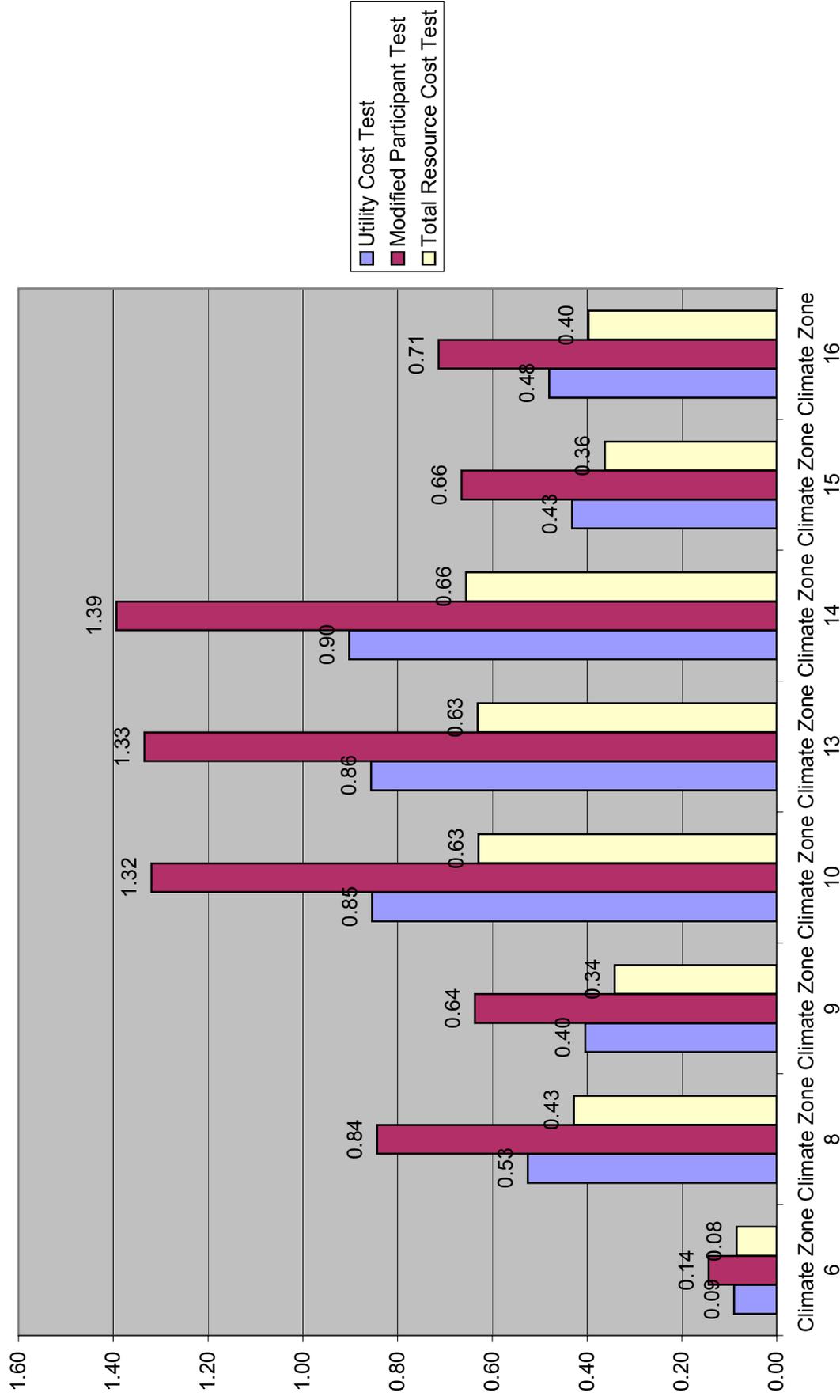
Envelope & Air Sealing Multifamily 2010



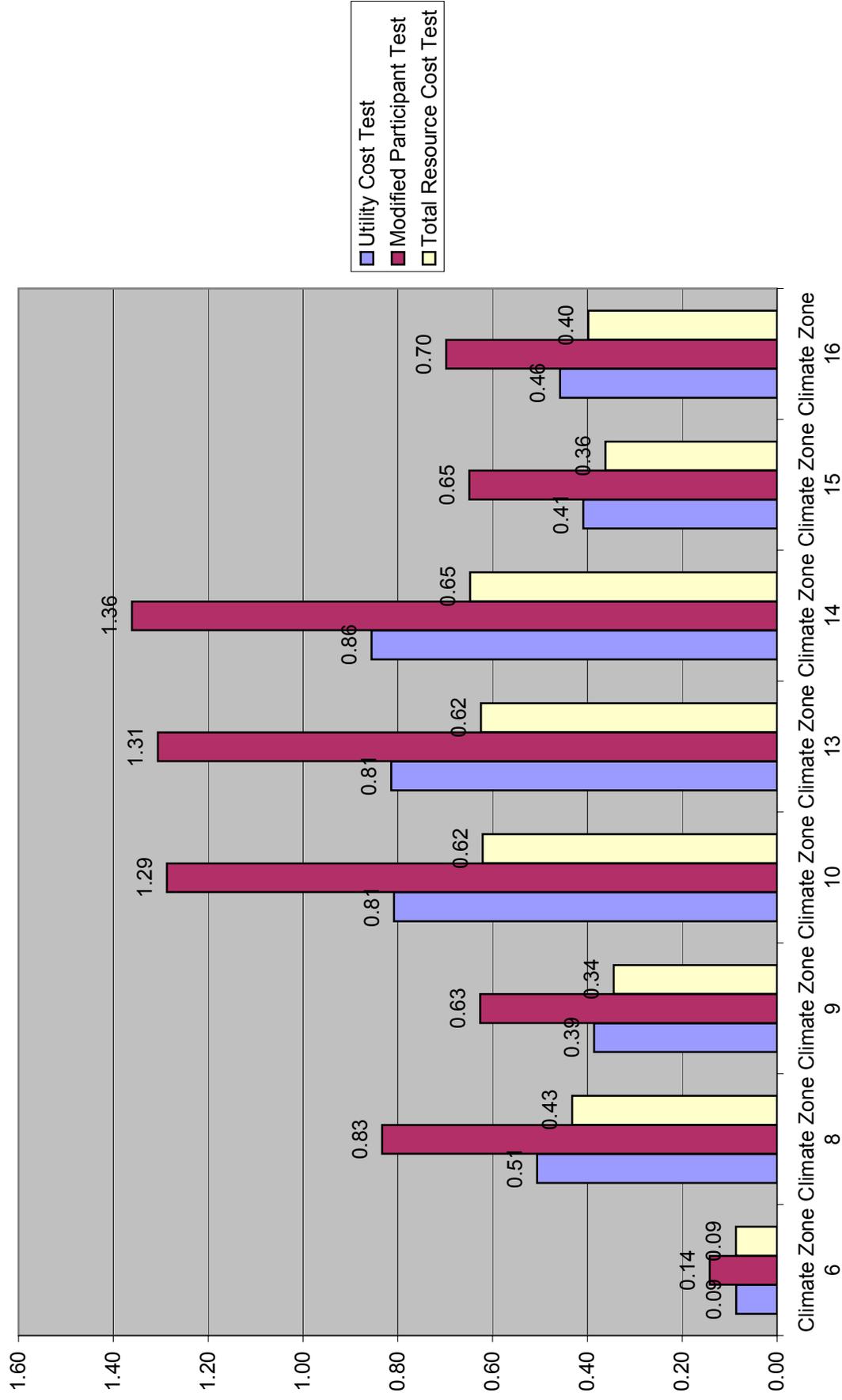
Envelope & Air Sealing Multifamily 2011



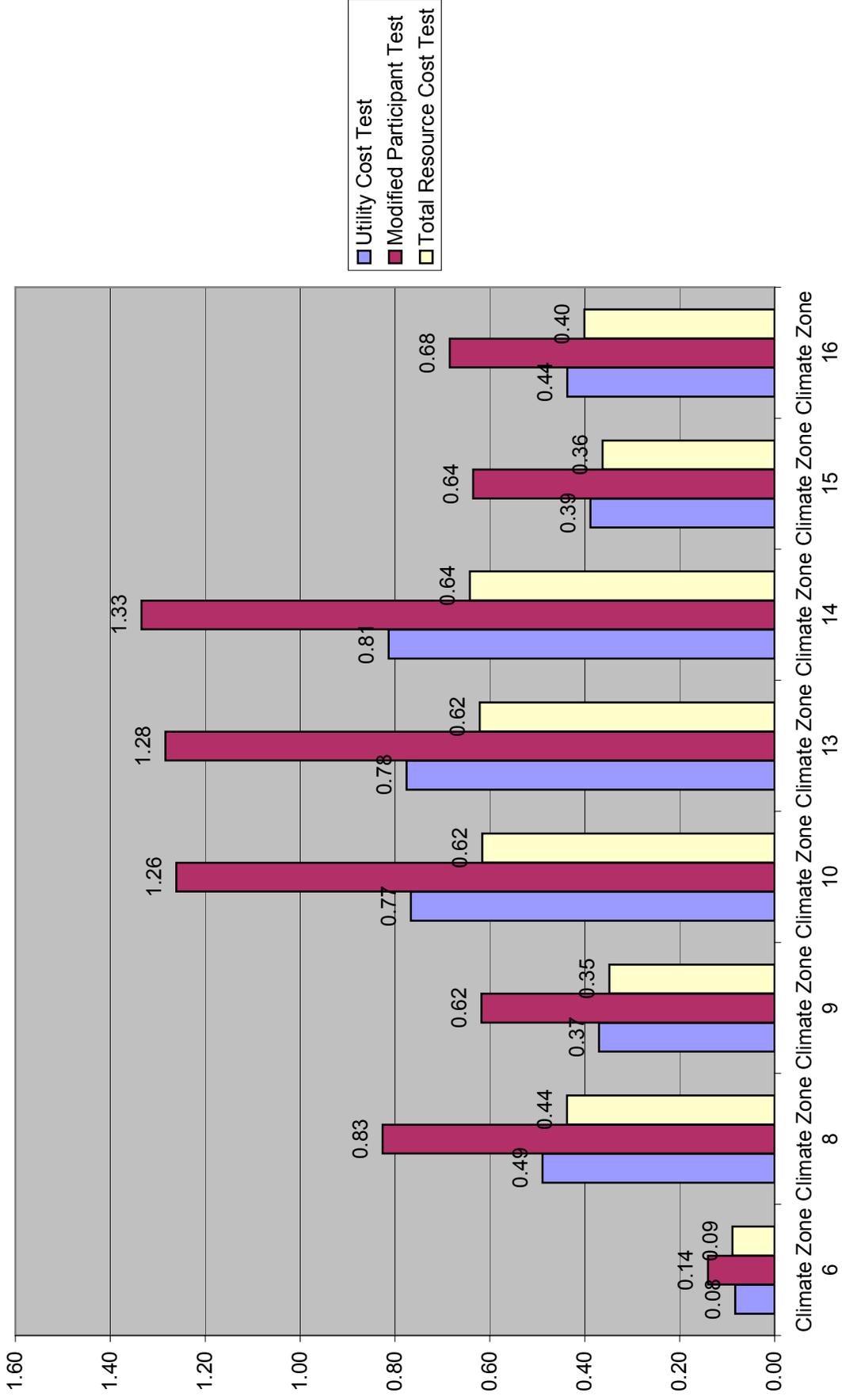
Envelope & Air Sealing Mobile Home 2009



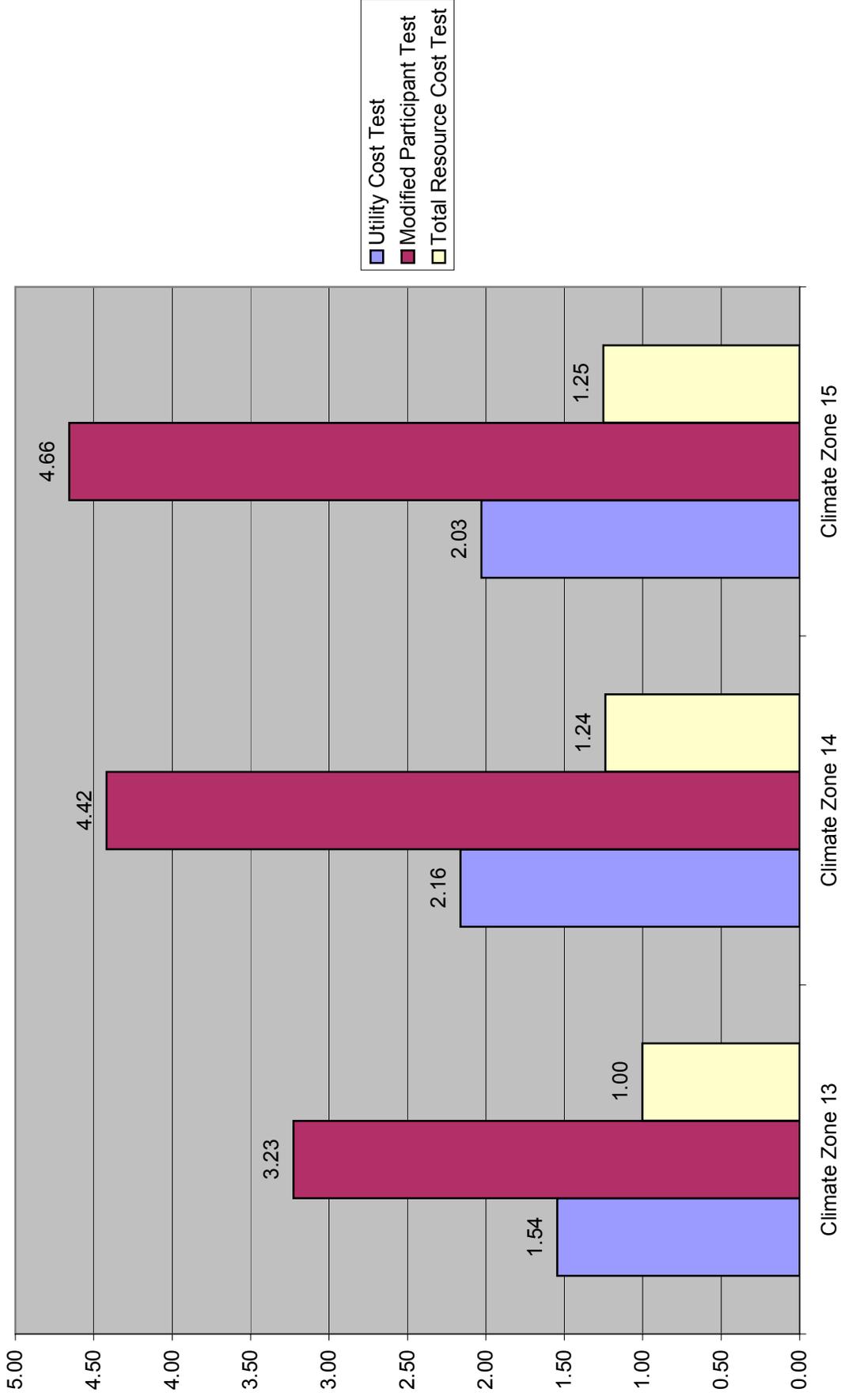
Envelope & Air Sealing Mobile Home 2010



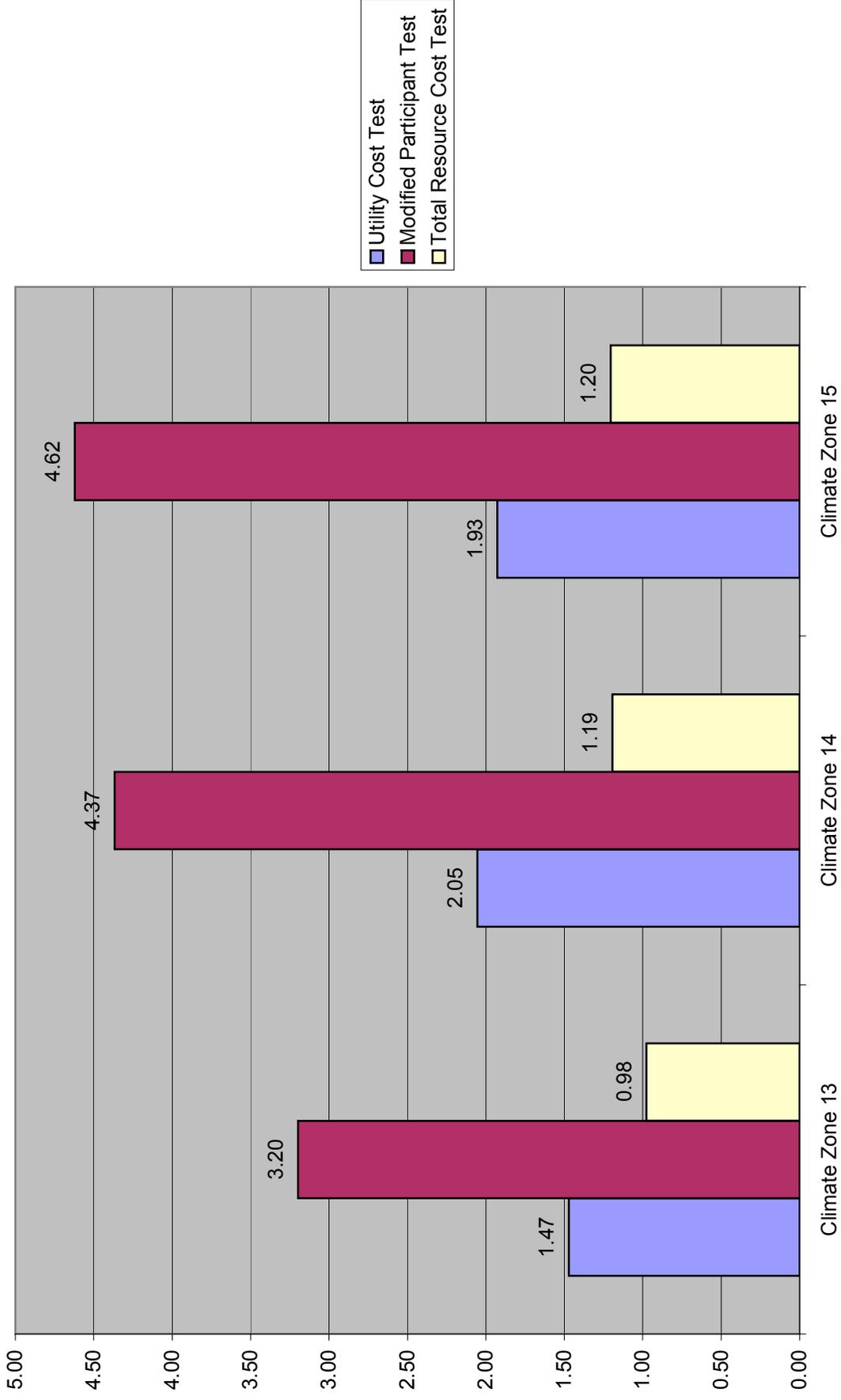
Envelope & Air Sealing Mobile Home 2011



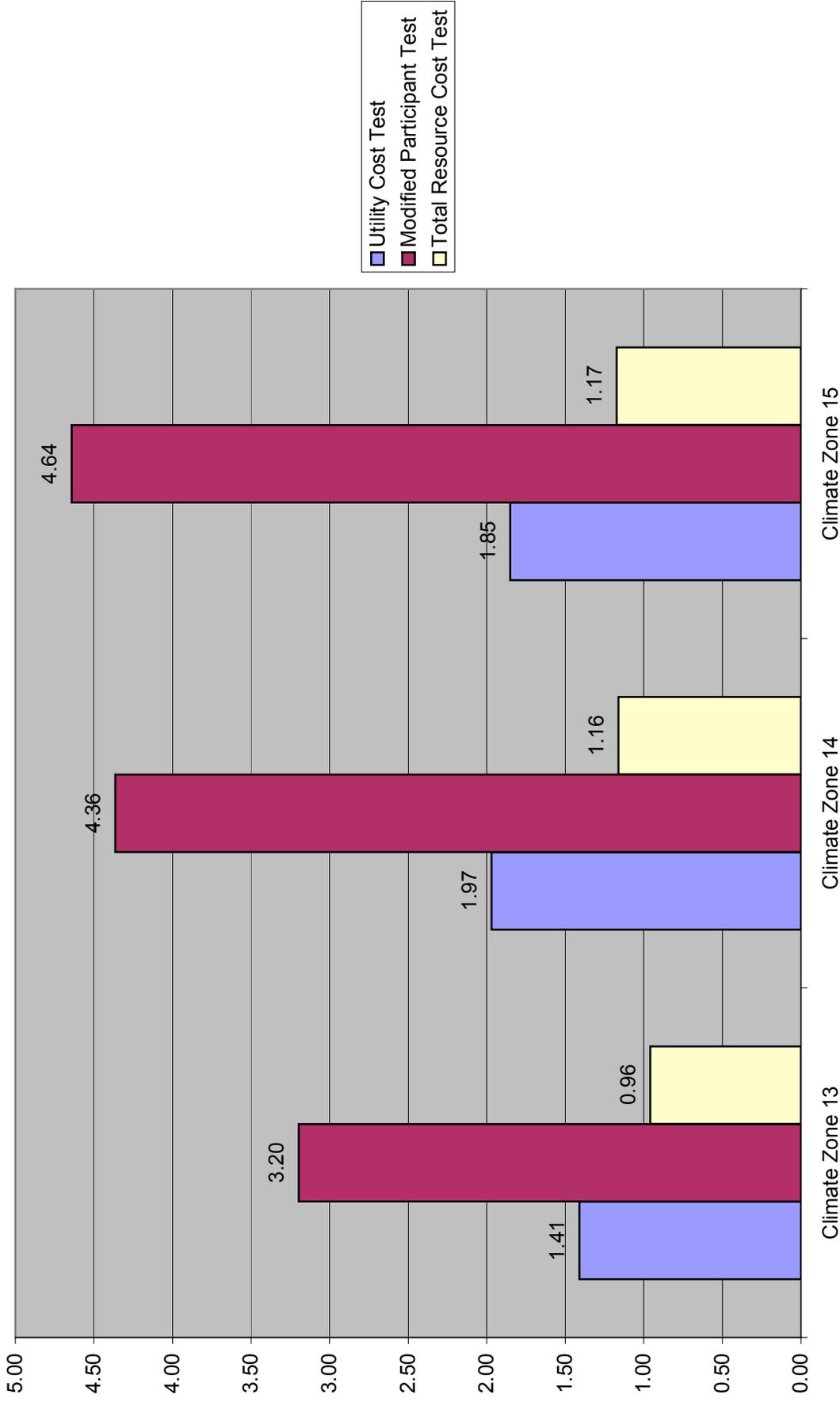
Duct Test & Seal Single Family 2009



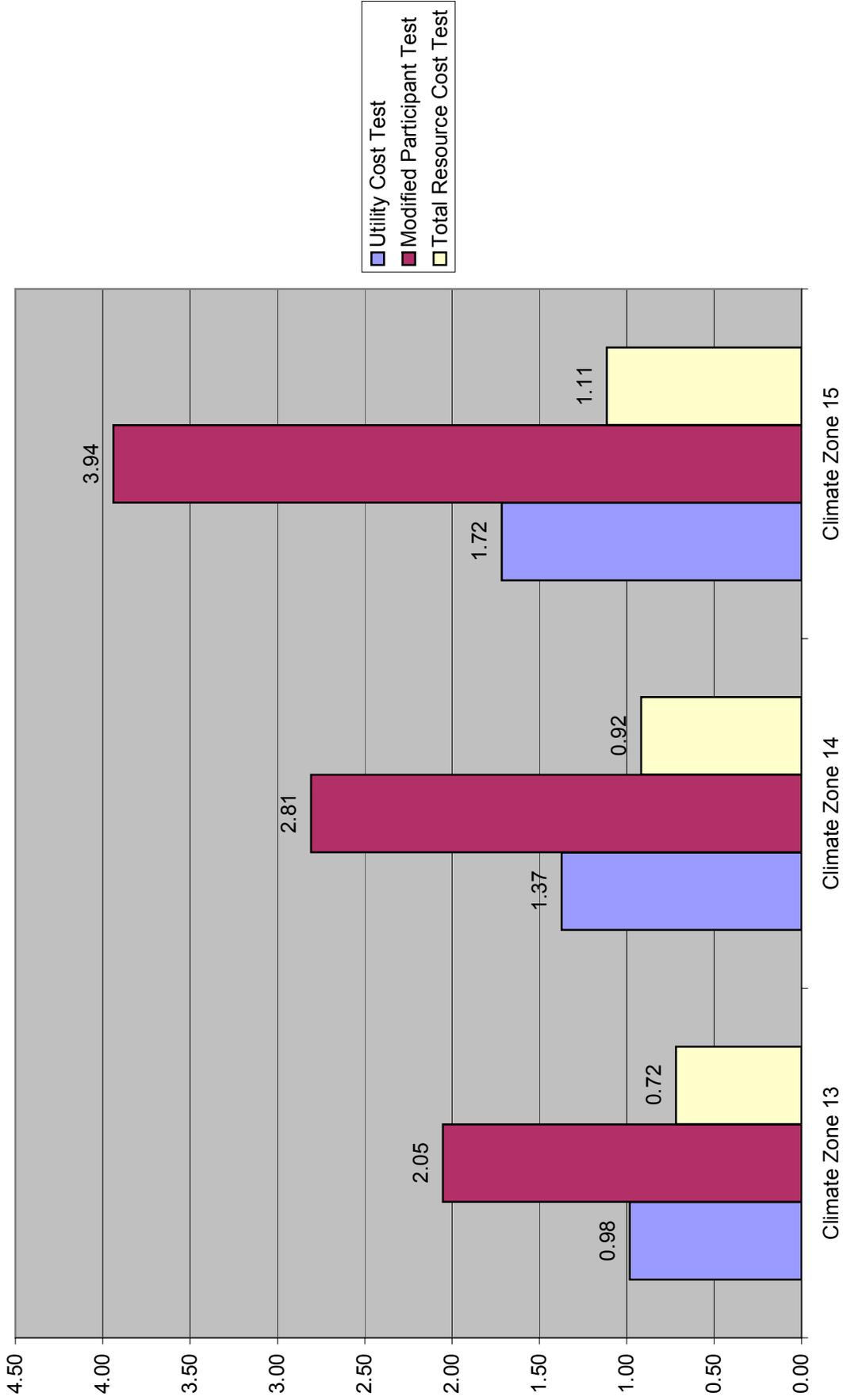
Duct Test & Seal Single Family 2010



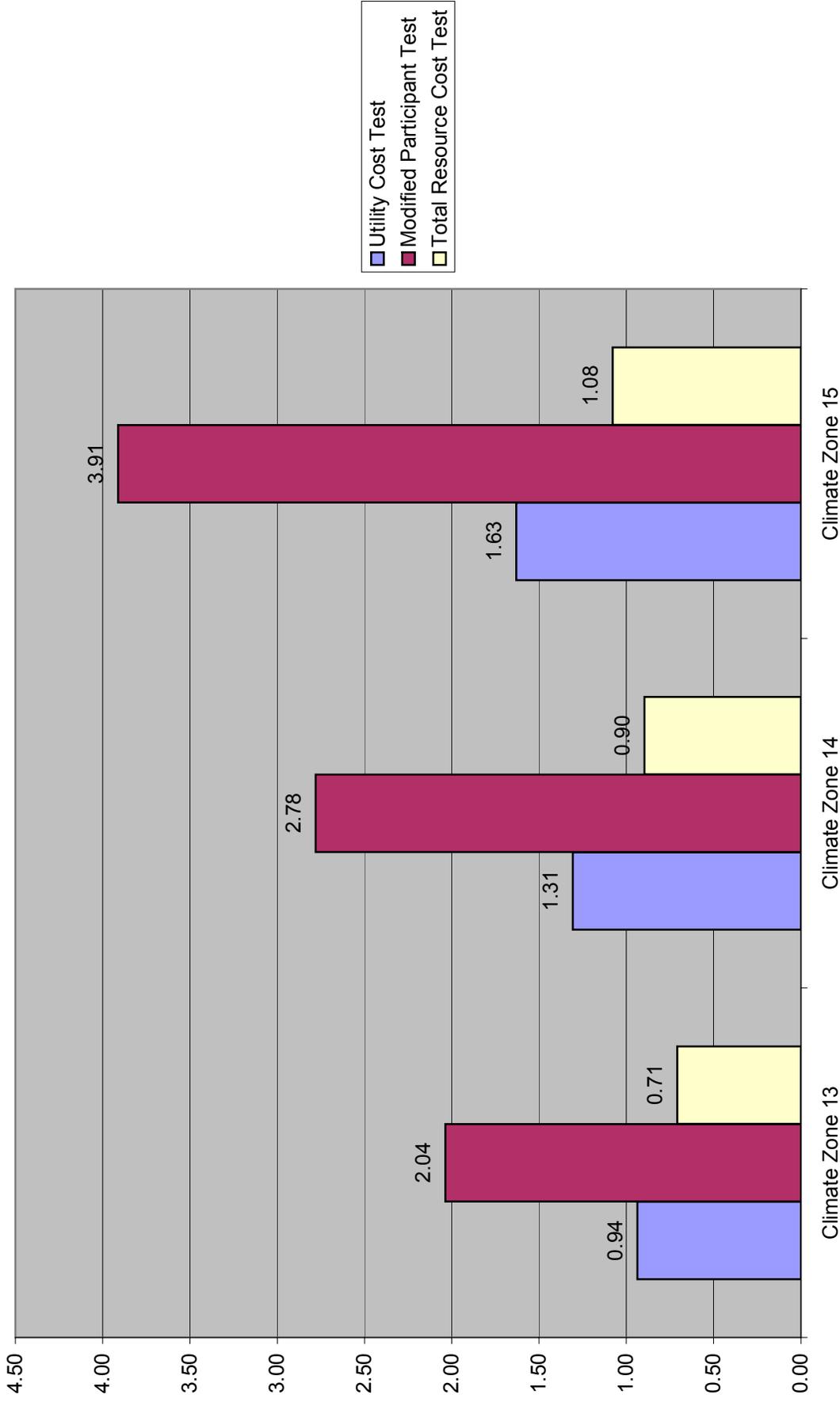
Duct Test & Seal Single Family 2011



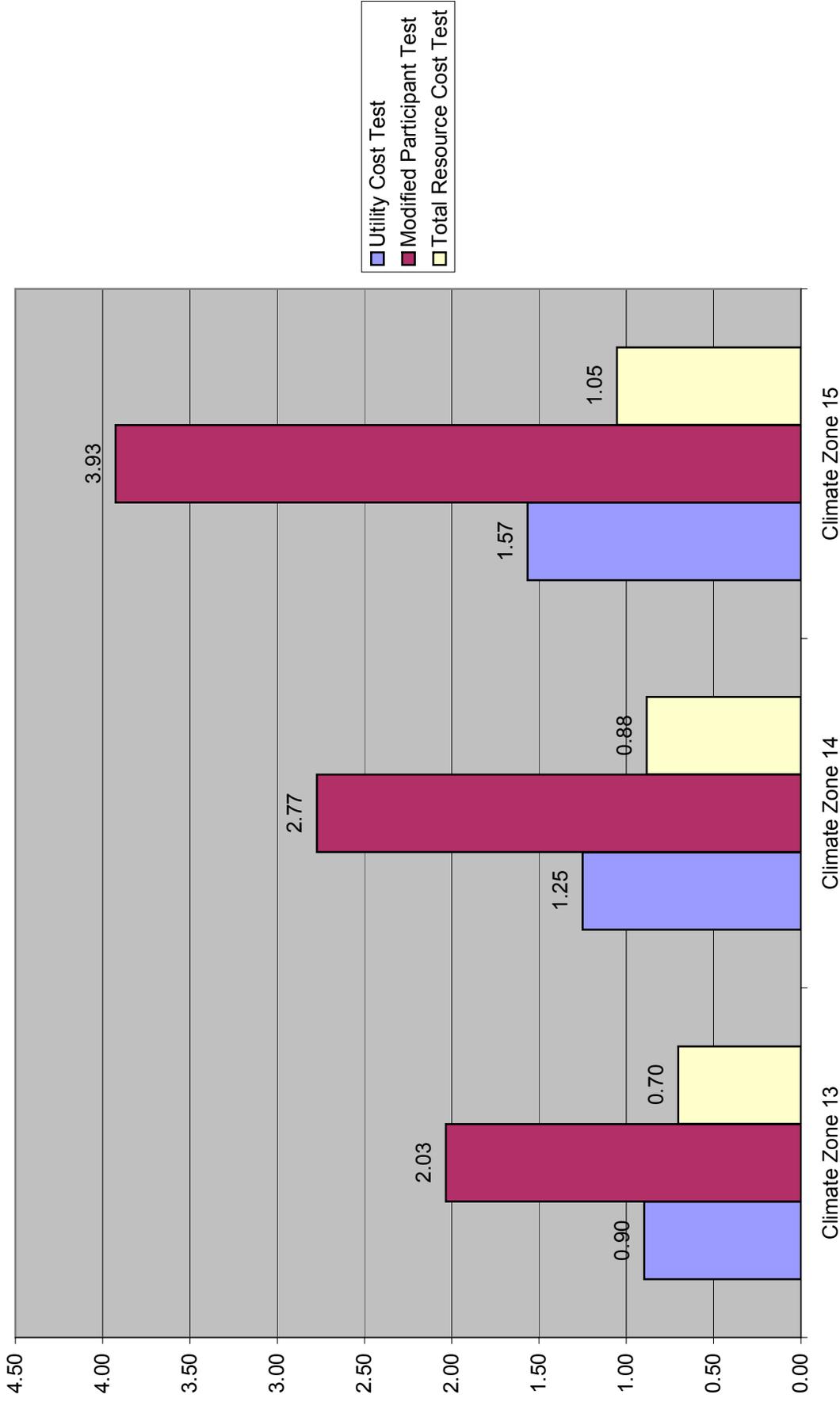
Duct Test & Seal Multi-Family 2009



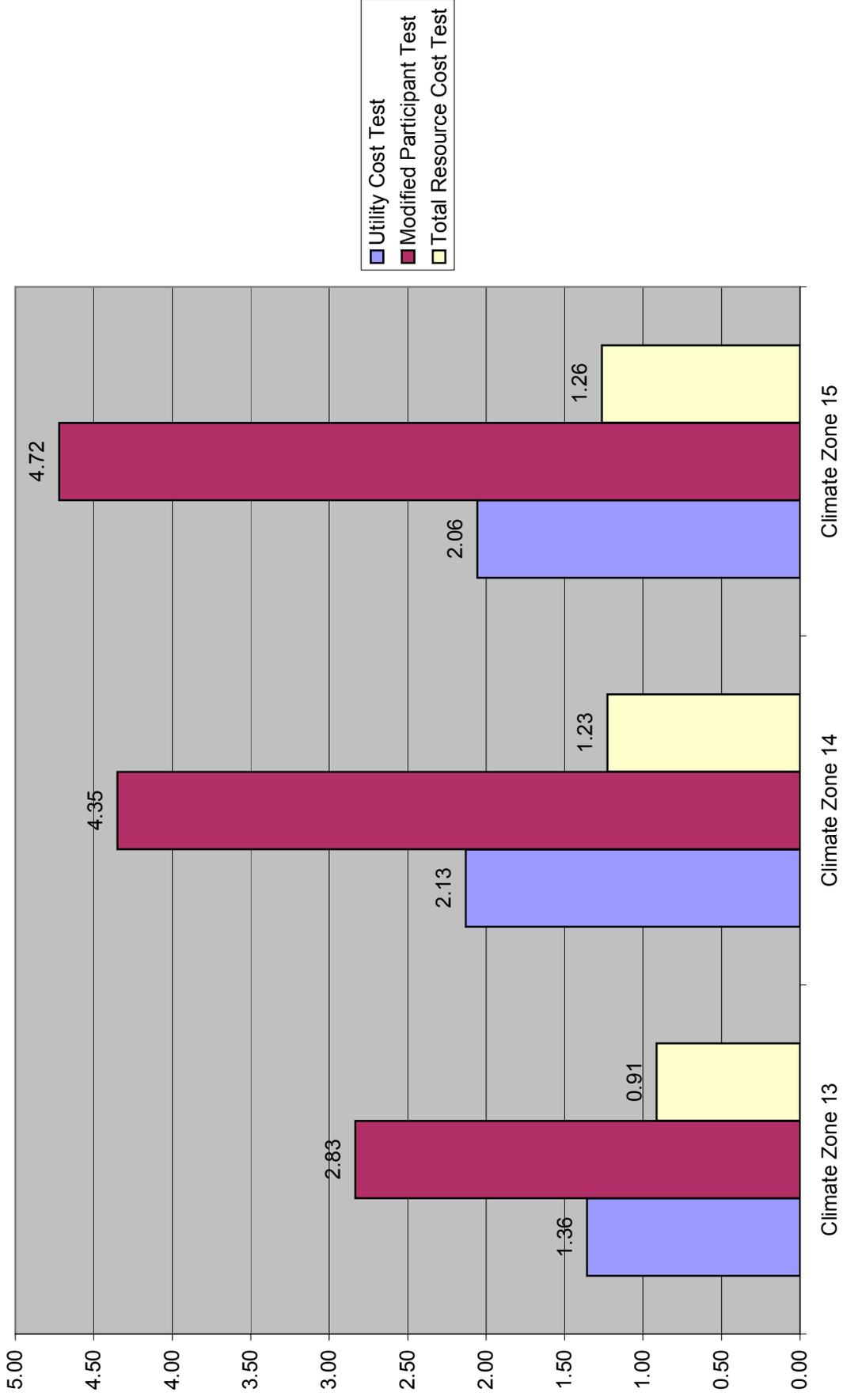
Duct Test & Seal Multifamily 2010



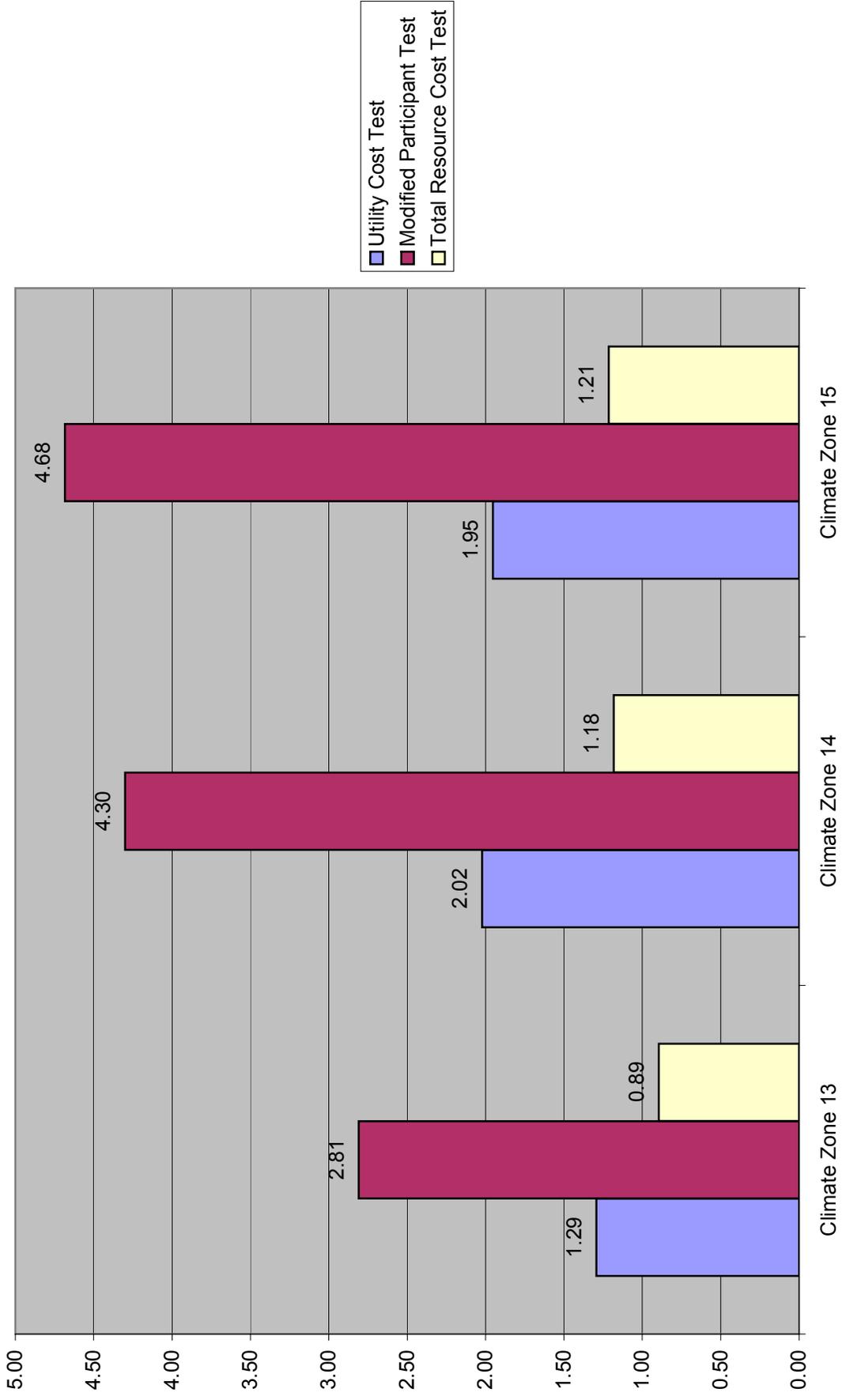
Duct Test & Seal Multifamily 2011



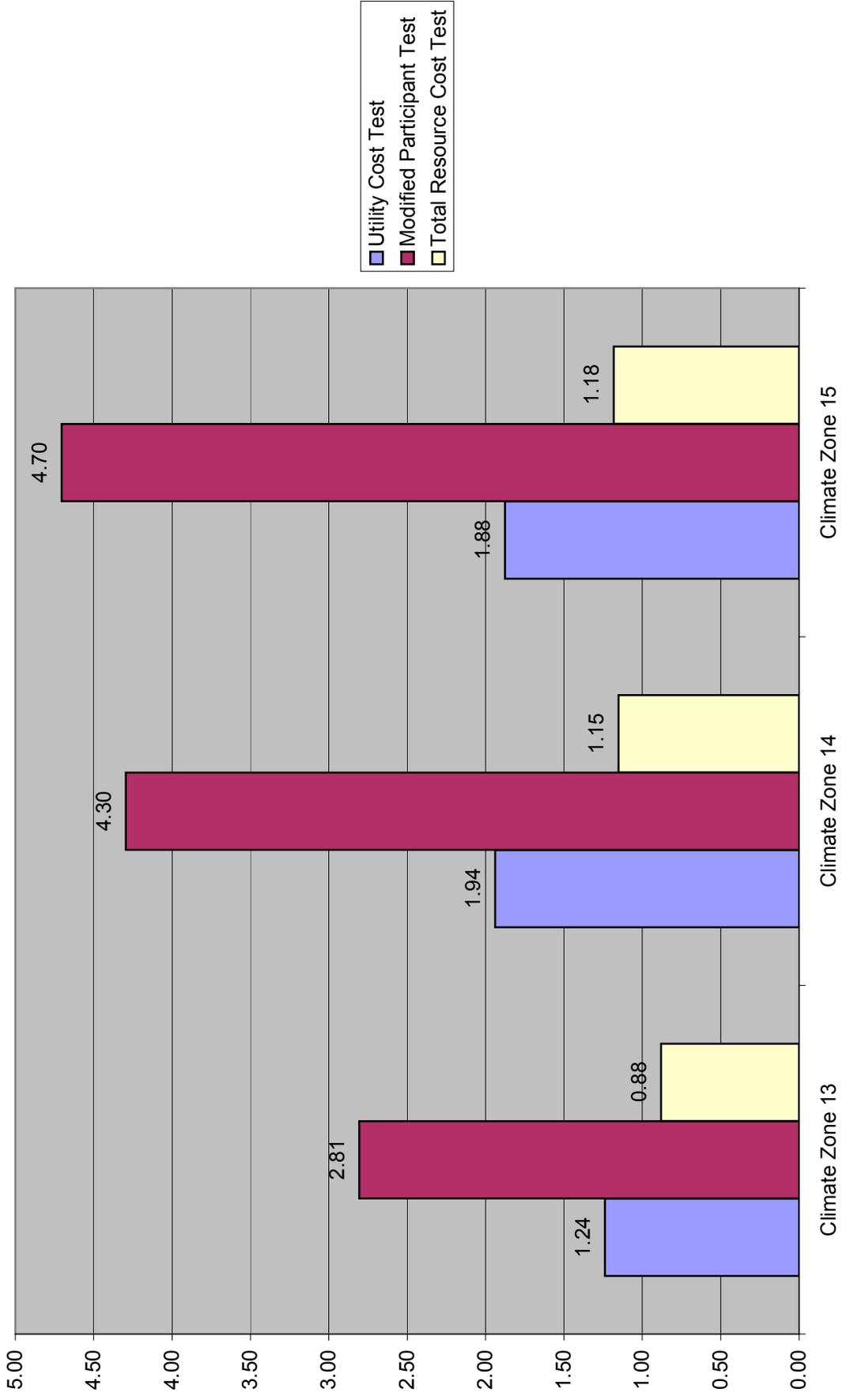
Duct Test & Seal Mobile Home 2009



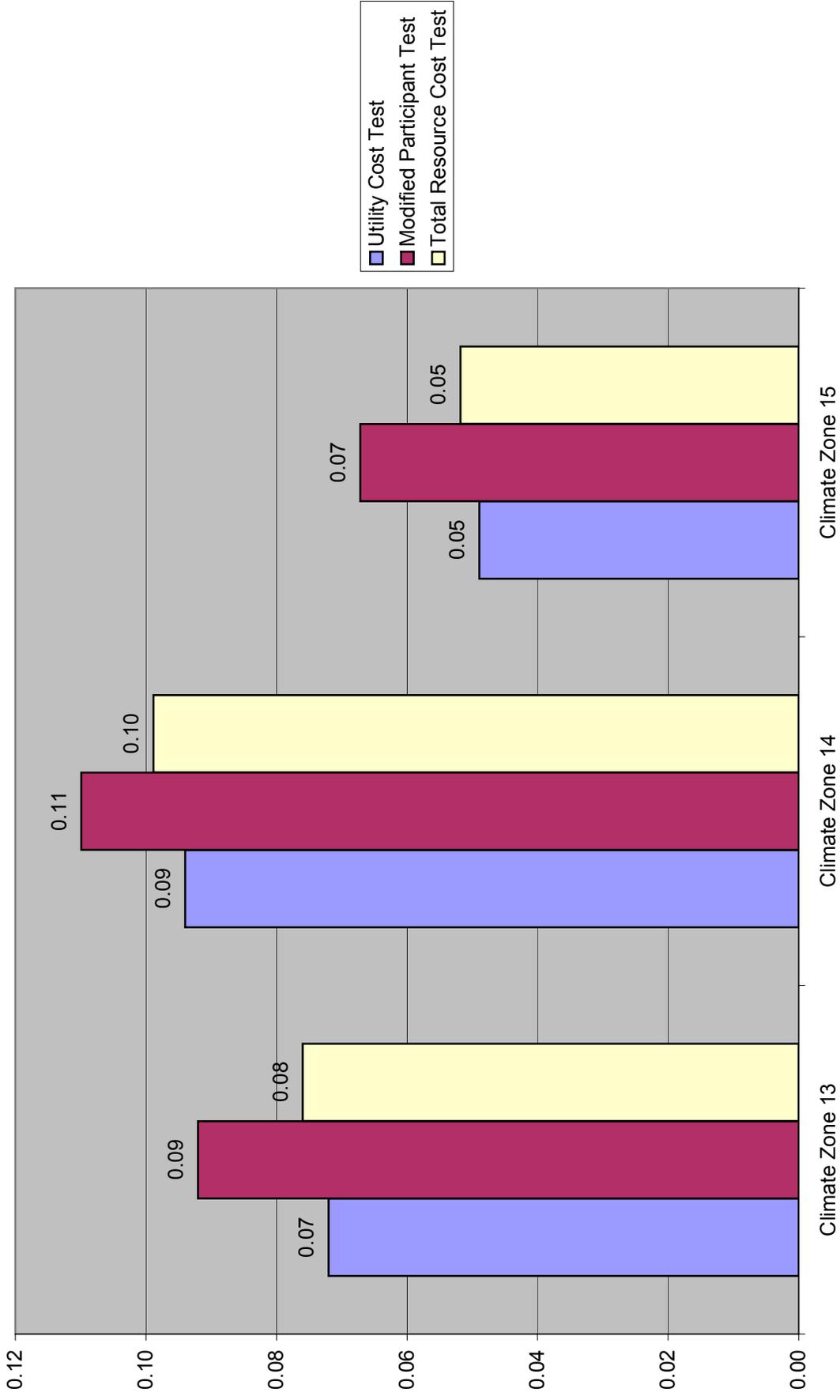
Duct Test & Seal Mobile Home 2010



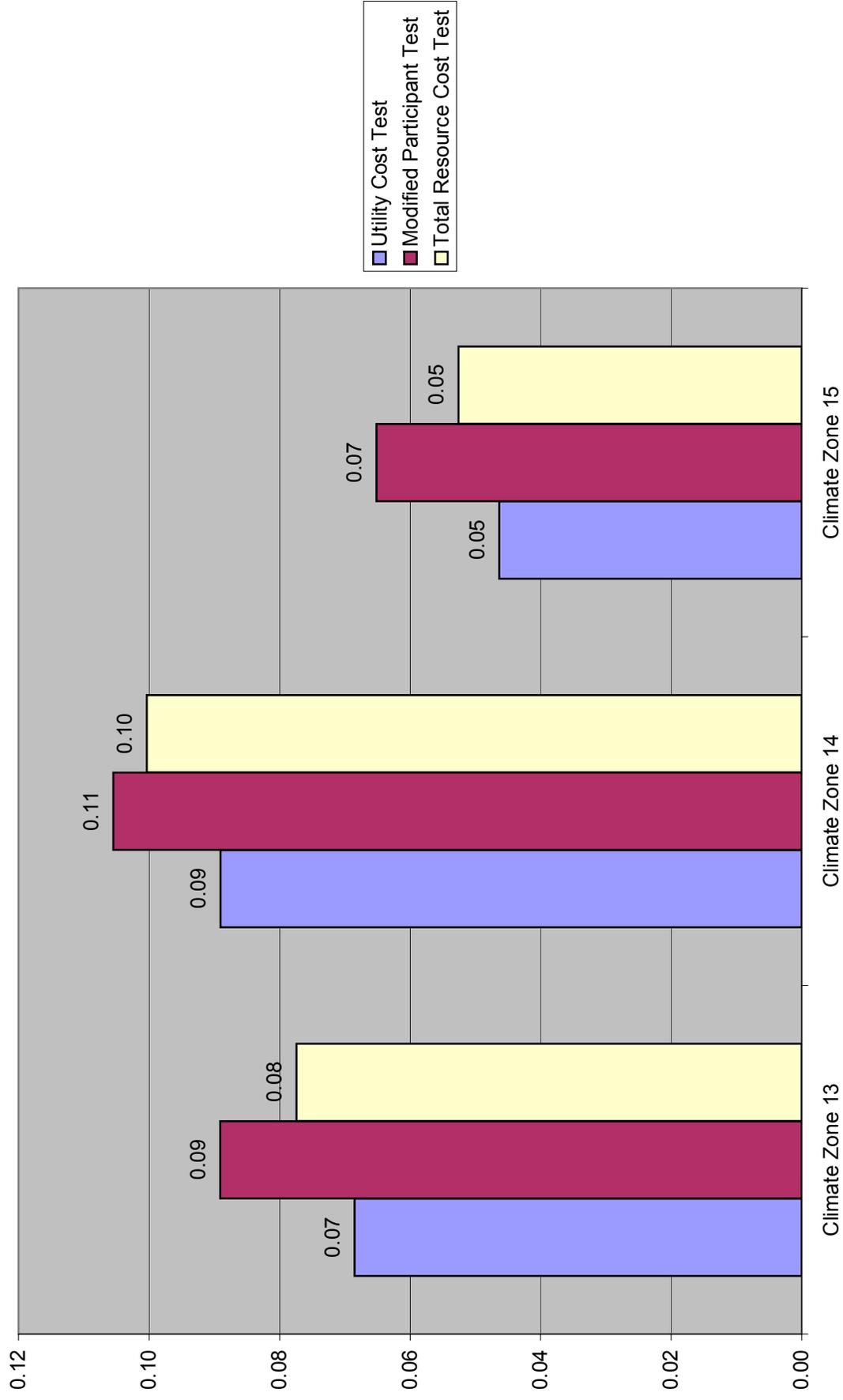
Duct Test & Seal Mobile Home 2011



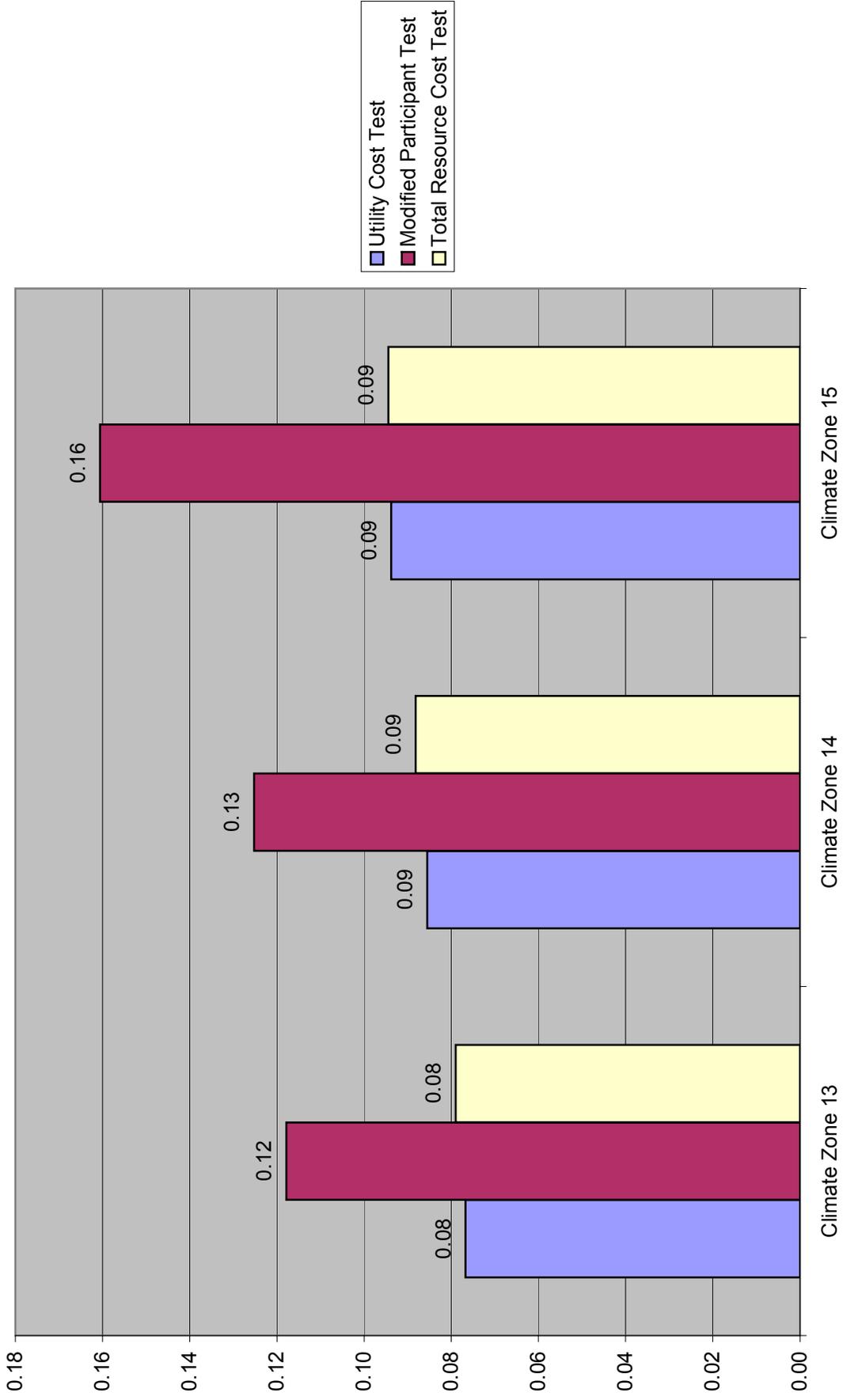
New Construction Low Income 13-16 SEER Single Family 2009



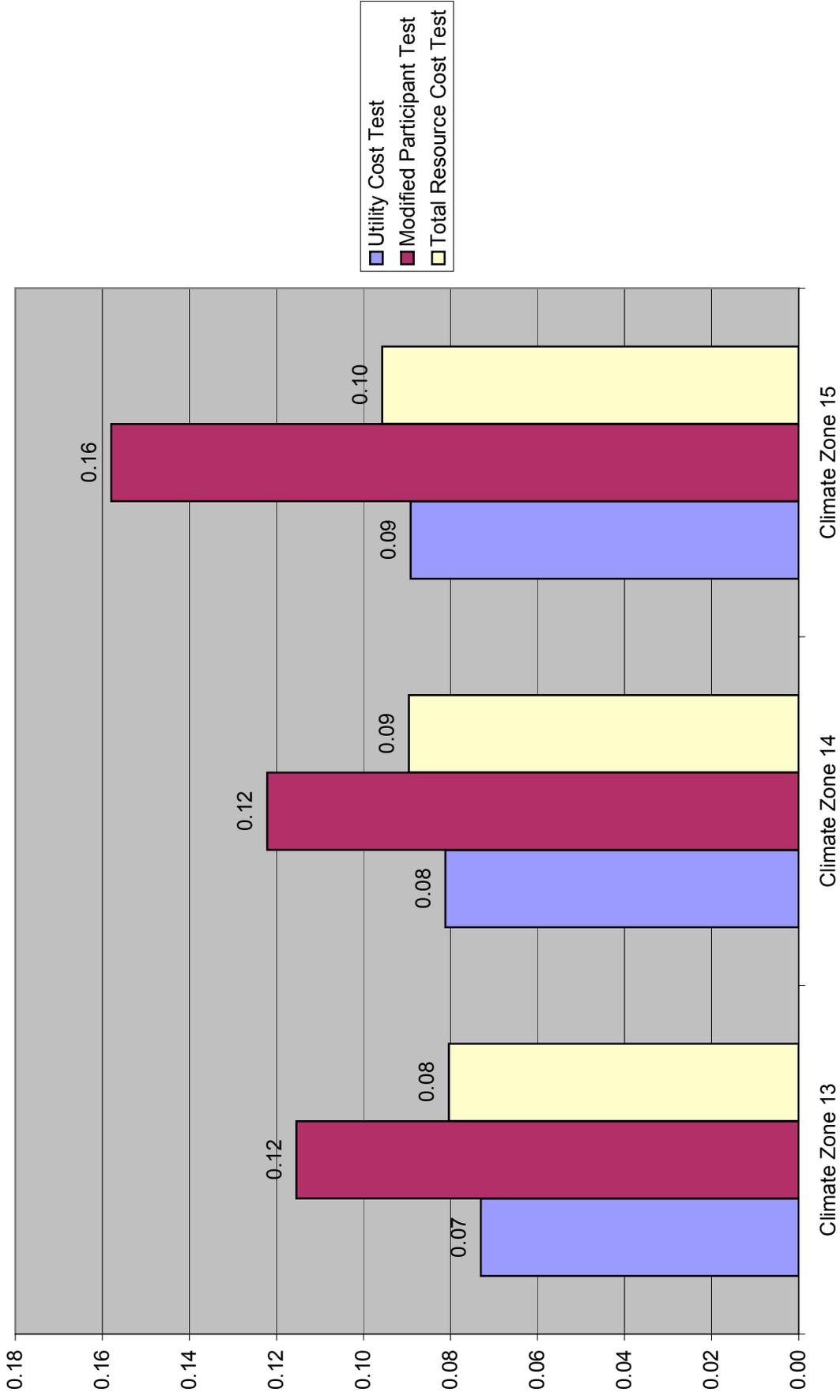
New Construction Low Income 13-16 SEER Single Family 2011



New Construction Low Income 13-16 SEER Multifamily 2010



New Construction Low Income 13-16 SEER Multifamily 2011



Attachment A-7

LIEE Cost-Effectiveness – Non-Weather Sensitive Measures

Attachment A-7

	A	B	C	D	E	F	G	H	I
1	LIEE Cost-Effectiveness - Non Weather Sensitive Measures								
2	Southern California Edison								
3									
4	Ratio of Benefits Over Costs								
5	Utility Cost Test			Modified Participant Test			Total Re		
6	2009			2010			2011		
7	Water Heater Conservation								
8		<i>Single Family, Electric</i>	0.72	0.68	0.64	4.10	4.08	4.12	1.21
9		<i>Multifamily, Electric</i>	1.34	1.28	1.24	2.69	2.69	2.71	0.83
10		<i>Mobile Home, Electric</i>	1.63	1.55	1.50	3.39	3.38	3.40	1.02
11	CFLs (Screw-In)								
12		<i>Single Family, Electric</i>	1.52	1.44	1.38	3.52	3.49	3.50	1.13
13		<i>Multifamily, Electric</i>	1.52	1.44	1.38	3.52	3.49	3.50	1.13
14		<i>Mobile Home, Electric</i>	1.52	1.44	1.38	3.52	3.49	3.50	1.13
15	Fixtures (Exterior Pin-based CFLs)								
16		<i>Single Family, Electric</i>	1.45	1.38	1.34	4.25	4.25	4.31	1.12
17		<i>Multifamily, Electric</i>	1.45	1.38	1.34	4.25	4.25	4.31	1.12
18		<i>Mobile Home, Electric</i>	1.45	1.38	1.34	4.25	4.25	4.31	1.12
19	Torchieres								
20		<i>Single Family, Electric</i>	1.57	1.48	1.42	3.72	3.68	3.70	1.18
21		<i>Multifamily, Electric</i>	1.57	1.48	1.42	3.72	3.68	3.70	1.18
22		<i>Mobile Home, Electric</i>	1.57	1.48	1.42	3.72	3.68	3.70	1.18
23	Refrigerators								
24		<i>Single Family, Electric</i>	0.84	0.94	0.90	2.89	2.90	2.94	0.76
25		<i>Multifamily, Electric</i>	1.00	0.80	0.78	2.49	2.50	2.52	0.66
26		<i>Mobile Home, Electric</i>	0.98	0.96	0.93	2.97	2.98	3.02	0.78
27	Pool Pumps								
28		<i>All Housing Types, Electric</i>	0.68	0.67	0.68	3.93	3.99	4.13	0.79
29									
30	* Include information on each proposed measure, type of home (ie. Single Family, Multi Family, Mobile Home), and electric or gas (if								
31	applicable).								

Attachment A-8

Program Years 2009 – 2011 LIEE Measurement and Evaluation Studies

	A	B	C	D	E
1	PY 2009 - 2011 LIEE Measurement and Evaluation Studies				
2	Southern California Edison				
3					
4	Line No.	Study Title	Total Cost⁵	Percent Paid by SCE	Total Cost Paid by SCE
5	1	Impact Evaluation of the 2010 LIEE Program ¹	\$600,000	30%	\$180,000
6	2	Process Evaluation of the 2009 LIEE Program ¹	\$250,000	30%	\$75,000
7	3	Non-Energy Benefits Study ¹	\$300,000	30%	\$90,000
8	4	Refrigerator Degradation EUL Study ²	\$200,000	33%	\$67,000
9	5	LIEE Household Segmentation Study ³	\$200,000	40%	\$80,000
10	6	High Use CARE Customer Study ⁴	\$200,000	100%	\$200,000
11	Total⁵		\$1,550,000		\$692,000
12					
13	¹ Jointly funded by PG&E, SCE, SDG&E, and SoCalGas.				
14	² Jointly funded by PG&E, SCE and SDG&E.				
15	³ Jointly funded by PG&E and SCE.				
16	⁴ Funded by SCE.				
17	⁵ This does not include the Statewide 2008 LIEE Impact Evaluation study authorized in D.06-012-038. Authorized funding will be expended in 2009-2010. SCE's share of the \$600,000 study is \$180,000.				

Attachment A-9

Summary of LIEE Program Proposals for 2009, 2010 and 2011

Attachment A-9
Summary of SCE's LIEE Program Proposals for 2009, 2010 and 2011

Proposal	Description	Benefits	Current Practice
1. Approve budget and plans for 2009 - 2011, with carry forward/carry back of funds & remove fund shift restrictions	Approve budget & plans, authority to carry forward, carry back funds & remove fund shift restrictions imposed in D.06-12-	Ensure seamless delivery of service to customers and the ability to reallocate funding to meet the goals of the LIEE Programmatic Initiative	Carryover/carryback, & fundshifting partially allowed for 2-year budget cycle
2. Provide cost-effective & non-cost-effective LIEE measures	Approve cost-effectiveness & non-cost-effective LIEE measures	Address Commission policy on cost effectiveness, and health, safety, & comfort	Same
3. Continue leveraging resources	Provide gas-related measures & weatherization services on Catalina Island	Eligible SCE customers living on Catalina Island will continue to receive low income services	Same
4. Develop Statewide name in lieu of a tag line	Develop statewide LIEE program name instead of a statewide tag line	Maximize the exposure that LIEE would receive through an integrated statewide marketing campaign	Under development
5. Revise Statewide P&P Manual & Weatherization Standards Manual	Revise Statewide P&P Manual & Weatherization Standards Manual after receiving appropriate public input	Reflect the addition of new measures after receiving appropriate public input	Manuals are not updated to reflect the addition of new measures
6. Approve proposed carry over guidelines for M&E	M&E funding should carry into future years & funding cycles as needed to complete studies	Funding remains in place to complete M&E studies	Fund Shifting or carryover of funds into M&E is not permitted
7. Reserve CANHP Funds	Allow funds committed through CANHP to be reserved as necessary into the next program cycle beginning in 2012	Ensure funds are available when housing units are completed	New
8. Continue providing LIEE services in the event there is a delay in issuing a decision	In the event there is a delay in issuing a decision on the 2009-2011 budget, fund 2009 LIEE activities using 2009 program	Ensure seamless delivery of service to customers	New
9. Continue currently approved LIEE ratemaking	SCE requests to continue currently approved LIEE ratemaking	Ratemaking enables recovery of LIEE program costs	Same

Attachment A-10

LIEE Pilot or Study Implementation Plans

Impact Evaluation of the 2010 LIEE Program

Joint Utility Study

The Joint Utilities will continue the required two-year program impact review with the Impact Evaluation of the 2010 Low-Income Program. The primary objective of the study will be to estimate the first year electric and gas savings by utility, by housing type, and by measure group. Other related program issues will likely be addressed as they arise during the program year. This study will occur in 2011-2012, beginning a year after the completion of the 2010 program year to allow for a full year of post-installation billing data.

1. Study Budget Table

Statewide Studies	Total Cost	SCE Cost
Impact Evaluation of the 2010 LIEE Program	\$600,000	\$180,000

While no proposal has been received, the main cost drivers follow:

- Review of program delivery
- Review of prior impact studies and methodologies
- Surveys (onsite, telephone, in person)
- Analysis (billing, statistical)
- Reporting

2. Projected Pilot Impacts Table

Not Applicable for Studies

3. Brief Study Description

- The Joint Utilities propose to conduct an impact evaluation of the 2010 LIEE program. An impact evaluation would be expected for 2010 if the previous two-year cycle for requiring impact evaluations continues to be followed, with the next mandated study being the 2008 LIEE programs evaluation.
- The Impact Evaluation of the 2010 Low-Income Program will determine energy and demand savings associated with the program year 2010 program.

- An accurate determination of measure savings is critical for guiding program delivery and determining cost-effectiveness. Impact, process and related studies facilitate the achievement of the Programmatic Initiative by determining measure savings and improving programs that generate savings. Other related program issues will likely be addressed as they arise during the program year.

4. **Study Rationale and Expected Outcome**

- The study will provide a set of energy savings estimates that will be used for reporting purposes. In addition, it will provide informative information on participant energy consumption and characteristics. The study will also provide a comparison with results from previous years.
- D.03-10-041 specified that LIEE impact evaluations should occur every two years. Since the Joint Utilities are planning for a 2008 impact evaluation, the next mandated study would be an evaluation of the 2010 program. The impact evaluation will be the primary determinate of program savings, i.e., it will determine LIEE's contribution to providing energy resource benefits to California.
- Although not specifically a goal of impact studies, the reporting of impact results can highlight the role of increased penetration on savings as opposed to the role of deeper household savings.

5. **Pilot or Study Implementation**

- Development of a detailed research plan to be submitted for approval to the joint utilities,
- Development of a sampling plan and weights,
- Data collection and verification,
- Development of a regression model for estimating energy savings,
- Analysis and evaluation of regression results, and
- Presentation of conclusions and recommendations.
- In addition, the study may include customer surveys or other data collection and analysis as approved by the Joint Utilities.

- The study will commence in 2011 and may not be completed until 2012, which will be covered under a subsequent application. We anticipate budgeting 70% of the costs in 2011 and the remainder in 2012.

Process Evaluation of the 2009 LIEE Program

Joint Utility Study

The purpose of the Process Evaluation of the 2009 LIEE Program is to assess the effectiveness of the program and to develop recommendations to program design or delivery that will improve the effectiveness of the program. The primary deliverable is a final report that will present the findings and the recommendations for possible program changes; however, the Joint Utilities are also seeking usable information and recommendations as the evaluation progresses, so that program managers can get timely feedback.

In addition to assessing the effectiveness of various components of the LIEE program such as outreach, contractor delivery, data tracking, etc., this study will also look at customer behavior and attitudes towards energy saving opportunities. The study will assess customer willingness to participate in energy saving programs, the particular needs of high usage customers, and low-income customers' responses to energy education and communication efforts.

A key component of this process evaluation will explore attitudinal and behavioral aspects of its LIEE and CARE population.

1. Study Budget Table

Statewide Studies	Total Cost	SCE Cost
Process Evaluation of the 2009 LIEE Program	\$250,000	\$75,000

2. Projected Pilot Impacts Table –For each pilot discuss the therm and or kWh savings expected.

Not Applicable for Studies

3. Brief Study Description.

Specific objectives of the evaluation include:

- Document program goals, implementation strategies and procedures across utilities.
- Provide real-time feedback to program managers with specific focus on improving program recruitment, delivery and identifying implementation and program design problems for review and modification to ensure program dollars are fully utilized and reach intended participants to achieve the greatest benefit.
- Assess the effectiveness of the program.

- Evaluate areas of customer and trade ally satisfaction/dissatisfaction.
- Identify barriers and obstacles to meeting program goals.
- Characterize attitudes and energy-saving behaviors of targeted customers and assess their willingness to participate in energy saving programs.
- Provide recommendations for improving programs.
- Determine the effectiveness and efficiency of the new program design and operations.
- Assess customer willingness to participate in energy saving programs and how our low-income customers respond to Marketing Education & Outreach (ME&O) efforts.
- As a review of program activities during the first year of the 2009-2011 Programmatic Initiative, the process evaluation will play a very important role in evaluating Joint Utility program processes and how they align with the Initiative. The Process Evaluation will also include an education, marketing and outreach component. The Joint Utilities believe that these elements will guide program ME&O by better positioning the Joint Utilities to undertake comprehensive and consistent ME&O efforts through direct and indirect customer contact.

4. **Pilot or Study Rationale and Expected Outcome**

- A process evaluation is recommended by the Joint Utilities because one has not been done for several years, and with the changes in the program, it would be prudent to conduct an evaluation of the effectiveness and efficiency of the program design and operations.⁶⁰
- Furthermore, an assessment of the effectiveness of the program strategy will provide an opportunity to refine and improve delivery and implementation in order to meet the goals of the strategic plan and other initiatives. In addition, understanding customer attitudes toward program messages and energy saving opportunities will inform marketing and outreach plans which will help achieve penetration goals.

⁶⁰ The Commission-adopted *California Energy Efficiency Evaluation Protocols* document states, “It is anticipated that most programs will have at least one in-depth comprehensive process evaluation within each program funding cycle (e.g., 2006-2008), but a program may have more or less studies depending on

- The ME&O components of the Process Evaluation, when integrated into the program, may result in successful low cost and no-cost measures with positive energy efficiency potential, increased customer awareness and favorable customer energy outcomes – all which facilitate increased market penetration. The traditional process evaluation will certainly focus on how the goals of the Programmatic Initiative are being met and how the LIEE strategies are supporting those goals in practice.

5. **Pilot or Study Implementation**

- The primary method of data collection for the study will be customer surveys and focus groups along with in-depth interviews with contractors and other trade allies. The specifics of the study will be documented in a research plan to be submitted for approval to the Joint Utilities by the selected evaluation contractor. The utilities will conduct an RFP for a contractor to conduct the Study Assessment with clearly stated objectives, goals and methodology.

Non-Energy Benefits (NEBS) Study

Joint Utility Study

The Non-Energy Benefits Study would update the current methodology used by the Joint Utilities to assign non-energy benefits to program measures for the purpose of assessing their cost-effectiveness. The current methodology was established in 2001 and many of the values used to calculate NEBs are outdated and inappropriate for the current program.

1. Pilot or Study Budget Table

Statewide Studies	Total Cost	SCE Cost
Non-Energy Benefits Study	\$300,000	\$90,000

2. Projected Pilot Impacts Table

Not Applicable for Studies

3. Brief Pilot Description

The Joint Utilities propose a Joint Utility Non-Energy Benefits study to quantify the elements of a cost-effectiveness analysis, which is a key determinant of program design. Utility personnel and other stakeholders have raised questions about the methods used to develop the current values assigned to non-energy benefits of the programs, which come from a study that is now several years old.

The study will address the following research objectives:

- Provide background on the use of NEBs in cost-effectiveness tests for low-income energy efficiency programs.
- Discuss the effectiveness and appropriate use of the following options in developing NEB values for cost-effectiveness tests: a) review and update values and algorithms in the current model, b) develop a set of factors which would be used to project the energy benefits of LIEE programs to account for the NEBs.
- Provide a methodology for assigning NEBs at the measure level for cost-effectiveness testing.

4. Study Rationale and Expected Outcome

The current methodology for evaluating the cost-effectiveness of LIEE measures was established in 2001 and many of the values used to calculate NEBs are outdated and inappropriate for the current

program. This study will address that problem and provide an updated methodology for assigning NEBs to LIEE measures. Having a more accurate understanding of the cost-effectiveness of program measures will enable program planning and design.

- A successful NEB study is directly related to the achievement of the Programmatic Initiative by defining and quantifying the non-energy contributors to cost-effectiveness. As is clear from the Programmatic Initiative, non-energy benefits as well as resource benefits are key indicators of program success.
- Cost-effectiveness is clearly a key determinant of program design, and the Commission recognizes the role of non-energy benefits in the cost-effectiveness calculations. Utility personnel and other stakeholders have raised questions about the methods used to develop the current values assigned to non-energy benefits of the programs, which come from a study that is now several years old.
- Having accurate cost- effectiveness metrics (i.e., including updated NEBs) can only increase the pool of measures and households eligible for LIEE treatment.

5. Study Implementation

The study will include several components including the following:

- A comprehensive literature review of the use of NEBs in the energy efficiency industry in general and in low-income programs specifically.
- An assessment of the various options for assigning NEBs to program measures including a full review and update of the current NEBs model and development of a set of efficient factors to be applied to energy savings to estimate the relevant NEBs.
- Development of a methodology to be used by the Joint Utilities to assign NEBs to LIEE program measures for the purpose of cost-effectiveness testing.
- Public workshops will likely be a part of the process to allow interested parties to contribute to and understand the issues surrounding this important research.

Refrigerator Degradation EUL Study

Joint Utility Study

The Joint Utilities propose a study of refrigerator retention and efficiency degradation in 2009. The study will combine phone interviews, secondary research, statistical modeling and on-site visits when necessary. Given the primary role of refrigeration in LIEE savings, the Joint Utilities propose a study of refrigerator retention and efficiency degradation in 2009 to determine optimal refrigerator replacement criteria.

1. Study Budget Table

Statewide Studies	Total Cost	SCE Cost
Refrigerator Degradation EUL Study	\$200,000	\$67,000

2. Projected Pilot Impacts Table

Not Applicable for Studies

3. Brief Pilot or Study Description

Currently, program rules for LIEE/EMA require that contractors limit replacements to pre-1993 appliances. In 2009, roughly 9-12 percent of low-income households in the SCE territory (122,000 to 163,000 households) will be “pre-1993” based on crude Needs Assessment (HENS) and RASS-based analysis conducted for SCE in January 2008.

Given the primary role of refrigeration in LIEE savings as evidenced in the program year 2005 Impact Study, the Joint Utilities propose a study of refrigerator retention and efficiency degradation in 2009 to examine replacement criteria that examines the potential foregone energy savings by maintaining a pre-1993 (standards vintage) rule for appliance replacement.

Preliminary analysis supports a return to the 10 year age cutoff in lieu of a standards vintage approach:

- There are potentially 300,000 to 350,000 primary refrigerators in SCE low-income households that will be in the 10-16 year age group in 2009.
- These units would be a self-replenishing source of LIEE savings potential, of course – in which the program would try to keep up with the continuing degradation of appliances.

- These numbers are in contrast to the 9-12% of appliances that are pre-1993, and which will of course involve increasing search-and-verification costs as time goes on and the eligible population of pre-1993 refrigerators diminishes due to both discards and program activity.

While further research in this area is contemplated exclusively within the residential low-income sector, the Joint Utilities will ensure that the study will be planned and executed so that it dovetails with (and is strengthened by) the cumulative data collection and analysis that has been carried out in evaluating California investor-owned utilities' appliance recycling programs across all residential households.

4. Study Rationale and Expected Outcome

- Strategy 5 of the Low-Income Section of the California Energy Efficiency Strategic Plan which focuses on long-term and enduring energy savings is largely contingent on refrigeration savings. Understanding in detail the lifecycle savings associated with refrigeration is therefore of considerable importance for meeting the resource needs of California through the LIEE program.
- Since current program rules for LIEE require that contractors limit replacements to pre-1993 appliances, and since refrigeration is a key savings determinant for LIEE, this rule effectively limits the market penetration and savings associated with LIEE programs.

5. Pilot or Study Implementation

The study will include several components including the following:

- Literature review of current and historical appliance recycling studies
- Literature review of Athens Research working paper Refrigerator UEC Vintage, Age, and Other Effects: Implications for the "Pre-1993" Standards Vintage vs. a Return to an Age-based Cutoff for Refrigerator Replacement in LIEE
- Statistical analysis of utility program and residential records
- Statistical analysis of secondary data including DOE lab consumption data
- Statistical modeling of appliance UECs

Household Segmentation Study

Joint Utility Study

The Joint Utilities propose a LIEE Segmentation Study to facilitate identification of eligible and willing customers for our LIEE programs. A successful customer segmentation scheme will support specific messages, products and services that are more likely to lead to energy saving behaviors.

This study will directly promote the first strategic goal of the low-income section of the California Energy Efficiency Strategic Plan: Develop Customer Segmentation and will support the goal of achieving 25% customer participation by year-end 2011.

1. Pilot or Study Budget Table

Statewide Studies	Total Cost	SCE Cost
LIEE Household Segmentation Study	\$200,000	\$80,000

2. Projected Pilot Impacts Table

Not Applicable for Studies

3. Brief Pilot or Study Description

The Joint Utilities propose a LIEE Segmentation Study to facilitate identification of eligible and willing customers for our LIEE programs and to tailor messages, products and services to customers most likely to respond to them. Given the ambitious goals laid out in the Programmatic Initiative, a “one size fits all” strategy is much less likely to provide either energy resources or improve quality of life measures than is a customized initiative based on customer characteristics and preferences identified by a well-designed study.

4. Pilot or Study Rationale and Expected Outcome

The Joint Utilities propose a LIEE Segmentation Study to facilitate identification of eligible and willing customers for the LIEE programs. Given the need to obtain 25% customer participation by 2011, this study will allow program mangers to tailor messages, products and services to customers most likely to respond to program energy saving efforts.

- Regarding linkages to the strategic plan, Strategy 1 of the Low-Income Section of the California Energy Efficiency Strategic Plan, developing customer segmentation, will be

directly advanced by a study of this study. As market transformation occurs in the CFL arena, and as refrigerator replacement criteria impact future savings potential, a LIEE Household Targeting Study will facilitate the identification of eligible and willing customers for our LIEE programs, thereby enhancing cost-effectiveness. For example, usage-based segmentation could define the size of the market eligible for relatively more expensive measures such as cooling measures.

- Regarding penetration goals, the Joint Utilities believe that tailoring program delivery to the correct customer sectors and segments is fundamental to increasing the penetration of the LIEE program. Even if segmentation parameters are based on high level indicators such as usage levels. There is no reason to believe that the LIEE target population is any less sensitive to message, product and service variation than are consumers in general.

5. Pilot or Study Implementation

The study will include several components including the following:

- A literature review of utility or low-income segmentation methodologies including results of the KEMA Needs Assessment
- A literature review of contemporary utility segmentation methodologies
- Quantitative and qualitative research to define and describe segmentation schemes
- Application of the segmentation methodology to utility program data
- Segmentation validation and testing

LIEE Study Implementation Plans

High Usage Needs Assessment

SCE Only Study

SCE proposes an assessment of high-tier CARE customer energy use in mild climate zones. SCE would also, among other objectives, identify energy inefficient practices, evaluate appliances and recommend best energy-efficient practices that will results in lower customer bill and increased energy and demand savings.

While SCE is aware of the usage trends of these households, a clear understanding of what is driving atypical usage in this customer segment would facilitate program cost-effectiveness, enhance program delivery, promote bill savings and enhanced customer quality of life.

This study will directly promote the first strategic goal of the Low-Income section of the California Energy Efficiency Strategic Plan: Develop Customer Segmentation and will support the goal of achieving 25% customer participation by year-end 2011.

1. Pilot or Study Budget Table

Statewide Studies	Total Cost
High Usage Needs Assessment	\$200,000

2. Projected Pilot Impacts Table

Not Applicable for Studies

3. Brief Pilot or Study Description

From the population of high usage CARE participants among our low-income customers, SCE will assess and identify energy inefficient practices, evaluate appliances, and recommend best energy-efficient practices that will results in lower customer bill and increased energy and demand savings.

While SCE is aware of the usage trends of these households, a clear understanding of what is driving atypical usage in this customer segment would facilitate program cost-effectiveness, enhance program delivery, promote bill savings and enhanced customer quality of life.

4. Pilot or Study Rationale and Expected Outcome

The energy usage assessment will facilitate identification of eligible and willing customers for the LIEE programs in a high usage segment. Given the resource benefits sought for the LIEE program, this focus on high energy users with no clear climate driver for high usage will assist SCE in meeting aggressive savings goals.

- Regarding linkages to the strategic plan, Strategy 1 of the Low-Income Section of the California Energy Efficiency Strategic Plan, developing customer segmentation, will be directly advanced by a study of this study. In addition to segmenting on customer demographics, developing segmentation on behaviors that drive energy usage will also inform and guide program delivery in the 2009-2011 period.
- Regarding penetration goals, SCE believes that high usage CARE customers, given higher than expected bills for their climate zones, will have a corresponding greater chance of significant bill reductions. With clearer benefits available due to higher unexpected bills, participation amongst this segment should be larger than participation on average. This translates into increased penetration by this key segment.

5. Pilot or Study Implementation

The study will include several components including the following:

- Review and analysis of SCE's CARE population
- Assessment and identification of energy inefficient practices
- Evaluation of key appliances
- Recommendation of best energy-efficient practices

Furthermore, we will determine which if any SCE data predicts higher than expected usage given climate and other predictive variables.

Attachment B-1

Program Years 2009-2011 CARE Proposed Program Budget

	A	B	C	D	E
1	PY 2009 - 2011 CARE Proposed Program Budget				
2	Southern California Edison				
3					
4					
5	CARE Budget Categories	2008 Authorized ^[1]	2009 Planned	2010 Planned	2011 Planned
6	Outreach	\$ 1,580,000	\$ 2,430,000	\$ 2,230,000	\$ 2,230,000
7	Proc., Certification and Verification	\$ 928,000	\$ 850,000	\$ 875,000	\$ 900,000
8	Information Tech./Programming	\$ 950,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
9	Pilots	\$ -	\$ -	\$ -	\$ -
10	Measurement and Evaluation	\$ 55,500	\$ 56,000	\$ 56,000	\$ 56,000
11	Regulatory Compliance	\$ 80,000	\$ 135,000	\$ 140,000	\$ 145,000
12	General Administration	\$ 500,500	\$ 864,000	\$ 905,000	\$ 948,000
13	CPUC Energy Division Staff	\$ 105,000	\$ 206,000	\$ 206,000	\$ 206,000
14	Total Expenses	\$ 4,199,000	\$ 5,541,000	\$ 5,412,000	\$ 5,485,000
15	Subsidies and Benefits	\$ 260,400,000	\$ 203,000,000	\$ 207,900,000	\$ 211,400,000
16	Total Program Costs and Discounts	\$ 264,599,000	\$ 208,541,000	\$ 213,312,000	\$ 216,885,000
17					
18	^[1] Authorized Budget in D.07-06-004.				

Attachment B-2

Program Years 2009-2011 CARE Estimated Participation

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
1	PY 2009 - 2011 CARE Estimated Participation															
2	Southern California Edison															
3																
4		Total Enrolled 12-31-07	Total Enrolled Through March 2008	PY 2008 Estimated Eligible	Estimated Net PY 2008 Enrollments	Estimated Year End PY 2008 Participation	Estimated PY 2008 Goal Rate	Estimated PY 2009 Net Enrollments	Estimated Year End PY 2009 Participation	Estimated PY 2009 Goal Rate (a)	Estimated PY 2010 Net Enrollments	Estimated Year End PY 2010 Participation	Estimated PY 2010 Goal Rate (a)	Estimated PY 2011 Net Enrollments	Estimated Year End PY 2011 Participation	Estimated PY 2011 Goal Rate (a)
5	(Source)	(1)	4/21/08 RD Report	(2)	(3)	(Col. B+E)	(Col. F/D)	(2)	(Col. F+H)	(Col. I/D)	(2)	(Col. I+K)	(Col. L/D)	(2)	(Col. L+N)	(Col. O/D)
6	SCE	1,024,148	1,043,964	1,333,453	26,852	1,051,000	79%	13,000	1,064,000	80%	13,000	1,077,000	81%	13,000	1,090,000	82%
7																
8	(a) Estimated PY2009, PY2010 and PY2011 Goal Rate will fluctuate based on updated CARE Eligibility information to be filed October 2008, October 2009 and October 2010.															
9	(1) CARE Annual Reports, dated 5/1/08															
10	(2) SCE's demographic eligibility rates filed 10/15/07. Technically eligible households adjusted for meter growth through 3/31/08.															
11	(3) Most recent estimates of net enrollments.															

Attachment B-3

Program Years 2007-2008 CARE Outreach and Penetration Information

	A	B	C	D	E	F	G
1	PY 2007-2008 CARE Outreach and Penetration Information						
2	Southern California Edison						
3							
4	CARE PY 2007						
5							
6	Outreach Method	Non-Labor Cost	Labor Cost	Total Cost	Estimated Number of Customers Reached	Estimated Number of Customers Enrolled	Percent of New Enrollments for PY 2007
7	Direct Mail Campaigns	680,000		680,000	107,627	72,629	67%
8	Capitation	27,000		27,000	3,663	2,127	58%
9	Postage re: Direct Mail, Customer Correspondence, etc.	830,000		830,000	288,000	191,000	66%
10	Collateral Materials	107,000		107,000			
11	Events	33,000		33,000	5,500	1,033	19%
12	Data Exchange*	0		0	82,000	39,000	48%
13	EMA Contractors	0		0	2,696	2,323	86%
14	Labor		116,000	116,000			
15							
16	Total	\$1,677,000	\$116,000	\$1,793,000	489,486	308,112	63%
17	<i>*Costs captured within labor</i>						
18	CARE PY 2008						
19							
20							
21	Outreach Method	Non-Labor Cost	Labor Cost	Total Cost	Estimated Number of Customers Reached	Estimated Number of Customers Enrolled	Percent of New Enrollments for PY 2008
22	Direct Mail Campaigns	900,000		900,000	125,000	84,000	67%
23	Capitation	500,000		500,000	55,000	35,000	64%
24	Postage re: Direct Mail, Customer Correspondence, etc.	740,000		740,000	280,000	200,000	71%
25	Collateral Materials	100,000		100,000			
26	Events	37,000		37,000	6,000	2,000	33%
27	Data Exchange*	0		0			
28	EMA Contractors & MEO Alignment Efforts	0		0	10,000	8,000	80%
29	Transit Surveillance System	33,000		33,000	5,000	3,600	72%
30	Online Applications	0		0	25,000	20,000	80%
31	Labor		120,000	120,000			
32							
33	Total	\$2,310,000	\$120,000	\$2,430,000	506,000	352,600	70%
34	<i>*Costs captured within labor</i>						
35	<i>* Utilities may but are not required to include estimates on labor cost for each outreach method. Utilities should include</i>						
36	<i>estimates on total labor cost for CARE Outreach.</i>						
37	<i>** Data on estimated number of customers enrolled data may not be available for certain types of outreach.</i>						

Attachment B-4

Summary of CARE Program Proposals for 2009, 2010 and 2011

Attachment B-4
Summary of SCE's CARE Program Proposals for 2009, 2010 and 2011

Proposal	Description	Benefits	Current Practice
1. Approval of budgets and plans for 2009-2011	Approval of budgets and plans for CARE program administration	Ensures seamless delivery of service to customers	Same
2. Approval to reallocate funding among CARE budget categories as changing conditions warrant to meet CARE goals and objectives.	Reallocate funding among CARE budget categories as changing conditions warrant to meet CARE goals and objectives.	Allows the ability to respond to changing needs within program activities without delays	Same
3. Approval of CARE process improvements	Funding for online enrollment, automated VRU, data sharing, data base improvements, web enhancements & system maintenance, etc.	Reduces costs. Increases & maintains CARE enrollment	Same processes for most part without enhancements & efficiency improvements
4. Approval to include FERA admin. costs in the CARE revenue requirement and transfer the 12/31/08 FERABA balance to the PPPAM balancing account, and eliminate FERABA.	FERA admin. costs tracked in CARE balancing account. Transfer the recorded 12/31/2008 FERABA balance to the PPPAM balancing account and eliminate Preliminary Statement, Part Z, FERABA	Streamlines reporting and recovery of FERA expenses. Eliminates a balancing account	FERA administrative expenses are recorded in the FERABA (FERA Balancing Account)
5. Continue to fund CARE in the event there is a delay in issuing a decision	In the event there is a delay in issuing a decision on the 2009-2011 budget, fund 2009 CARE activities using 2009 program funds	Ensures a seamless delivery of service to customers	New

Attachment C-1

Program Years 2009-2011 CARE and LIEE Rate Impacts

	A	B	C	D	E	F	G	H	I
1	PY 2009 - 2011 CARE and LIEE Rate Impacts - Electric (cents/kWh)								
2	Southern California Edison								
3									
4	PY 2009	Average Rate Excluding CARE/LIEE Surcharge	CARE Subsidy Portion of Rate	CARE Administration Portion of Rate	LIEE Program Portion of Rate	LIEE Administration Portion of Rate	Cool Center Portion of Rate	Total CARE / LIEE / Cool Center Surcharge	Average Rate Including CARE / LIEE Cool Center Surcharge
5									
6									
7									
8	Residential (non CARE)	18.70	0.27	0.01	0.06	0.01	0.00	0.07	19.11
9	Residential (CARE)	11.82	-	0.01	-	-	-	-	11.83
10	Commercial	16.54	0.27	0.01	0.06	0.01	0.00	0.07	16.96
11	Industrial	12.14	0.27	0.00	0.04	0.01	0.00	0.05	12.52
12	Agricultural	12.49	0.27	0.00	0.04	0.01	0.00	0.05	12.86
13	Lighting	23.12	0.27	0.01	0.06	0.01	0.00	0.07	23.55
14	System	15.76	0.27	0.01	0.05	0.01	0.00	0.06	16.15
15									
16	PY 2010	Average Rate Excluding CARE/LIEE Surcharge	CARE Subsidy Portion of Rate	CARE Administration Portion of Rate	LIEE Program Portion of Rate	LIEE Administration Portion of Rate	Cool Center Portion of Rate	Total CARE / LIEE / Cool Center Surcharge	Average Rate Including CARE / LIEE Cool Center Surcharge
17									
18									
19									
20	Residential (non CARE)	19.23	0.28	0.01	0.06	0.01	0.00	0.07	19.67
21	Residential (CARE)	12.08	-	0.01	-	-	-	-	12.09
22	Commercial	16.90	0.28	0.01	0.06	0.01	0.00	0.07	17.33
23	Industrial	12.33	0.28	0.00	0.05	0.01	0.00	0.05	12.72
24	Agricultural	12.67	0.28	0.00	0.05	0.01	0.00	0.05	13.07
25	Lighting	24.23	0.28	0.01	0.06	0.01	0.00	0.07	24.67
26	System	16.15	0.28	0.01	0.05	0.01	0.00	0.06	16.56
27									
28	PY 2011	Average Rate Excluding CARE/LIEE Surcharge	CARE Subsidy Portion of Rate	CARE Administration Portion of Rate	LIEE Program Portion of Rate	LIEE Administration Portion of Rate	Cool Center Portion of Rate	Total CARE / LIEE / Cool Center Surcharge	Average Rate Including CARE / LIEE Cool Center Surcharge
29									
30									
31									
32	Residential (non CARE)	19.64	0.30	0.01	0.06	0.01	0.00	0.07	20.09
33	Residential (CARE)	12.28	-	0.01	-	-	-	-	12.29
34	Commercial	17.14	0.30	0.01	0.06	0.01	0.00	0.07	17.58
35	Industrial	12.45	0.30	0.00	0.05	0.01	0.00	0.05	12.86
36	Agricultural	12.79	0.30	0.00	0.05	0.01	0.00	0.05	13.20
37	Lighting	25.05	0.30	0.01	0.06	0.01	0.00	0.07	25.50
38	System	16.43	0.30	0.01	0.05	0.01	0.00	0.06	16.86

	A	B	C	D	E	F	G	H
1	PY 2009 - 2011 CARE and LIEE Rate Impacts - Gas (cents/Therm)							
2	Southern California Edison							
3								
4	PY 2009	Average Rate	CARE	CARE	LIEE	LIEE	Total	Average Rate
5		Excluding	Subsidy	Administration	Program	Administration	CARE/LIEE	Including
6		CARE/LIEE	Portion of	Portion of Rate	Portion of	Portion of Rate	Surcharge	CARE/LIEE
7		Surcharge	Rate		Rate			Surcharge
8	Residential (non CARE)							
9	Residential (CARE)							
10	Commercial							
11	Industrial							
12	Agricultural							
13	Lighting							
14	System							
15								
16	PY 2010	Average Rate	CARE	CARE	LIEE	LIEE	Total	Average Rate
17		Excluding	Subsidy	Administration	Program	Administration	CARE/LIEE	Including
18		CARE/LIEE	Portion of	Portion of Rate	Portion of	Portion of Rate	Surcharge	CARE/LIEE
19		Surcharge	Rate		Rate			Surcharge
20	Residential (non CARE)							
21	Residential (CARE)							
22	Commercial							
23	Industrial							
24	Agricultural							
25	Lighting							
26	System							
27								
28	PY 2011	Average Rate	CARE	CARE	LIEE	LIEE	Total	Average Rate
29		Excluding	Subsidy	Administration	Program	Administration	CARE/LIEE	Including
30		CARE/LIEE	Portion of	Portion of Rate	Portion of	Portion of Rate	Surcharge	CARE/LIEE
31		Surcharge	Rate		Rate			Surcharge
32	Residential (non CARE)							
33	Residential (CARE)							
34	Commercial							
35	Industrial							
36	Agricultural							
37	Lighting							
38	System							

Attachment C-2

Customer Usage

	A	B	C	D	E	F	G	H	I	J	K
1	PY 2007 Customer Usage										
2	Southern California Edison										
3											
4	Electric							Gas			
5			Total	Tier 1	Tier 2	Tier 3	Tier 4	Tier 5	Total	Below Baseline	Above Baseline
6	Number of CARE Customers	2007 Total									
7		January	1,054,085	418,597	165,645	260,641	145,875	63,327			
8		February	1,047,796	460,358	174,563	249,105	119,461	44,309			
9		March	1,025,243	503,890	176,714	226,539	91,829	26,271			
10		April	1,035,443	546,909	176,215	213,440	78,370	20,509			
11		May	1,015,024	519,481	171,258	214,400	84,757	25,128			
12		June	1,013,711	466,365	224,013	211,766	85,248	26,319			
13		July	1,016,440	439,913	173,258	231,809	121,868	49,592			
14		August	1,014,729	399,534	157,735	245,000	144,229	68,231			
15		September	1,026,789	378,328	159,979	257,896	154,921	75,665			
16		October	1,013,395	488,990	236,805	197,654	70,854	19,092			
17		November	1,019,716	503,636	185,527	220,961	86,051	23,541			
18		December	1,011,097	447,458	165,538	240,564	116,076	41,461			
19			Total	Tier 1	Tier 2	Tier 3	Tier 4	Tier 5	Total	Below Baseline	Above Baseline
20	Number of Customers Served by LIEE	2007 Total									
21		January	2,905	14,502	6,442	10,031	5,196	2,095			
22		February	2,782	17,295	6,948	9,396	3,901	1,250			
23		March	3,332	19,397	7,246	8,866	3,087	694			
24		April	4,035	20,190	7,375	8,577	2,817	624			
25		May	5,090	18,177	8,725	8,940	3,131	781			
26		June	4,555	15,771	8,293	9,786	4,467	1,458			
27		July	4,326	15,600	6,881	10,029	5,288	1,868			
28		August	4,067	14,342	6,555	10,438	5,823	2,201			
29		September	295	15,041	7,318	10,031	4,883	1,633			
30		October	1,818	19,052	8,227	8,195	2,507	521			
31		November	2,543	17,700	6,741	8,985	3,552	956			
32		December	5,097	15,496	6,124	9,399	4,595	1,658			
33											
34											
35											
36											
37	CPUC Agreed to Drop 3rd (Bill Savings) Section on 2008-04-11. We will include Annual Bill Savings Table from May 1 Annual Reports instead.										

Attachment C-2
 2008 Low Income Energy Efficiency Annual Report
 Table TA 6
 BILL SAVINGS
 SOUTHERN CALIFORNIA EDISON

Program Year	Program Costs	Program Lifecycle Bill Savings	Program Bill Savings/ Cost Ratio	Per Home Average Lifecycle Bill Savings
2005	\$ 22,620,436	\$ 21,525,766	0.95	\$ 591
2006	\$ 31,371,759	\$ 41,359,654	1.32	\$ 780
2007 ^[1]	\$ 32,525,807	\$ 40,619,019	1.25	\$ 916

^[1] - average \$/KWh for 2007 program participant is \$.11104

Attachment C-3

Program Years 2009-2011 Projected Customer Usage and Eligibility

	A	B	C	D	E	F
1	PY 2009-2011 Projected Customer Usage and Eligibility					
2	Southern California Edison					
3						
4			PY 2007	PY 2009**	PY 2010**	PY 2011**
5			Number of	Estimated	Estimated	Estimated
6			CARE	Number of	Number of	Number of
7			Customers in	Customers	Customers	Customers
8			PY2007**	Treated by	Treated by	Treated by
9				LIEE in PY	LIEE in PY	LIEE in PY
				2009*	2010*	2011*
10	Electric	Tier 1*	211,796			
11		Tier 2*	139,612	25,862	25,862	25,862
12		Tier 3*	288,718	21,248	21,248	21,248
13		Tier 4*	232,335			
14		Tier 5*	149,936	28,133	28,133	28,133
15		Total	1,022,397	75,243	75,243	75,243
16						
17	Gas	Tier 1 (Below Baseline)*				
18		Tier 2 (Above Baseline)*				
19		Total				
20						
21						
22	<p>*SCE proposes to combine electric customer usage into 3 tiers to determine their LIEE participation. Electric Tiers 1-2, and Tiers 4-5 are combined as shown in the table. Tier usage is defined as the highest tier reached at least one time in the previous 12-month period. These projected targets are SCE's best estimates.</p>					
23	<p>** PY2007 CARE customers are listed here as a proxy for LIEE willing and eligible customers. The LIEE baseline of willing and eligible customers is determined by the methodology described in Chapter 1, Section III.A of the testimony. Willing and eligible customers are also described in Table A-3.</p>					
24						

Attachment D-1

Cool Center Statement of Work

ATTACHMENT D-1
20 CENTER PROGRAM

STATEMENT OF WORK

Contractor shall operate a Cool Center at each of the following locations (each a “Cool Center”):

- 1.
- 2.
- 3.

In the performance of its obligations under the Agreement, Contractor shall, with respect to each Cool Center listed above, perform the following work:

A. General Operations:

1. Operate the Cool Centers from June 1, 20__, through October 15, 20__ (“**Operating Period**”).
The Cool Centers shall be open Monday through Friday during the hours of 10 a.m. to 5 p.m. These are the minimum days and hours of operation for each Cool Center.
2. Use reasonable efforts to target (i) low-income, (ii) seniors, and (iii) disabled persons (“**Target Population**”). Reasonable efforts to target the population include, but are not limited to, those activities set forth in Section B below.
3. Admit any person who wishes to use the Cool Center for its intended purposes (a “**Participant**” or collectively “**Participants**”) regardless of such person’s age, gender, race, religion, ethnicity, or sexual orientation.
4. Keep the Cool Center air-conditioned during the Operating Period from Monday through Friday during the hours of 10 a.m. to 5 p.m. Contractor shall keep the Cool Center clean and in a safe condition. Contractor shall ensure that drinking water is available for all Participants.
5. Take reasonable steps to ensure that parking is available to those Participants who drive to the Cool Center.
6. Establish and maintain during the Operating Period procedures to be followed by staff and Participants in the event of an emergency. Such procedures should reflect the highest level of care that can be taken in an emergency situation.
7. All Cool Center sites shall be wheelchair accessible.

B. Outreach

1. Inform local community-based organizations, local government agencies, senior agencies, and other organizations that serve the needs of the Target Population about the Cool Centers so that these organizations may refer members of the Target Population to the Cool Centers.
2. Use its best efforts to promote the Cool Centers on one or more local radio stations through the use of radio public service announcements. Contractor shall submit the script(s) for any public service announcement to SCE for prior approval before it is aired.
3. Prepare an information flyer and/or brochure about the Cool Center(s) to inform the Target Population about the Cool Center(s). Contractor shall submit a proof copy of any informational flyer and/or brochure to SCE for prior approval before distribution. Contractor shall distribute copies of such informational flyer and/or brochure in a manner reasonably calculated to reach the Target Population. These efforts may include, without limitation, (i) direct mail, (ii) distribution to local community-based organizations, local government agencies, local businesses, and other organizations, and/or (iii) handing them out to Participants.

C. Education/Distribution of Information

1. Provide energy efficiency education to Participants. Contractor is responsible for requesting written energy efficiency materials from SCE and maintaining an adequate supply so as to ensure that each Participant can receive such materials during the Operating Period. Contractor may develop energy efficiency materials to distribute to Participants but must receive prior approval from SCE on its content.
2. Conduct daily workshops at the Cool Center to inform Participants about the California Alternate Rates for Energy (CARE) program and SCE's Energy Management Assistance (EMA) program, assist Participants in determining whether they are eligible to participate in the SCE CARE/EMA programs and, if so, assist them in completing and mailing a CARE application. Customers eligible for SCE's EMA program will be referred directly to SCE to receive services. Contractor shall identify any CARE application submitted to SCE as a result of the work performed under the Agreement by placing Contractor's Source Code ("**Source Code**") on such application. Contractor's Source Code is .

D. Tracking and Reporting

1. Utilize the sign-in sheet attached hereto as **Exhibit A ("Daily Sign-in Sheet")** to track Participants for each calendar month of operation (a "**Reporting Month**"). Contractor shall provide to SCE a copy of the Daily Sign-in Sheet for each Reporting Month no later than the fifteenth business day of the calendar month following such Reporting Month. Contractor shall take reasonable steps to ensure that each Participant signs and accurately completes all of the information requested on the Daily Sign-in Sheet upon each visit to the Cool Center.
2. Track all referrals provided to other low-income and/or LIHEAP programs and include this tracked referral data in the Contractor's Operations Report (defined below) for such Reporting Month.

3. Track the energy efficiency workshops and CARE workshops held in each Reporting Month, and include such data in the Operations Report (defined below) for such Reporting Month.
4. Maintain supporting documentation for all expenditures related to the Cool Center operations for each Reporting Month and include such supporting documentation in the Expense Report (defined below) for such Reporting Month. SCE may, in its sole discretion, disallow any expenditure for which there is no supporting documentation. Contractor also understands that any expenditure that is (i) excessive or (ii) not reasonably related to the performance of Contractor's obligations under the Agreement, will be disallowed for reimbursement by SCE. Contractor must seek prior approval from SCE for any expenditure that is not described in the Contractor's 20__ Cool Center Program Operations Plan and Budget.
5. Prepare an accurate report of the Cool Center expenses for each Reporting Month, utilizing the monthly expense report format attached hereto as **Exhibit B ("Expense Report")**, and provide such Expense Report to SCE by no later than the fifteenth business day of the calendar month following such Reporting Month. Failure to submit an Expense Report by its due date may result in additional funding delays. SCE may, in its sole discretion, refuse to accept any Expense Report provided more than fifteen days after its due date, in which case any and all expenditures reported thereon will automatically be disallowed. Any Expense Report that SCE deems unsatisfactory for reasons including, but not limited to, incompleteness, illegibility or use of incorrect format, will be returned to Contractor for revision. Contractor shall have ten (10) business days from the date Contractor receives the unsatisfactory Expense Report from SCE to revise it and return it to SCE. Failure to revise the Expense Report in a satisfactory manner or return it to SCE within the allotted 10 business days may result in the automatic disallowance of any or all expenditures reported on such Expense Report.
6. Prepare an accurate report of the Cool Center operations for each Reporting Month, utilizing the monthly operations report format attached hereto as **Exhibit C ("Operations Report")**, and provide such Operations Report to SCE by no later than the fifteenth business day of the calendar month following such Reporting Month. Failure to submit an Operations Report by its due date may result in suspension of program activities. Any Operations Report that SCE deems unsatisfactory for reasons including, but not limited to, incompleteness, illegibility or use of incorrect format, will be returned to Contractor for revision. Contractor shall have ten (10) business days from the date Contractor receives the unsatisfactory Operations Report from SCE to revise it and return it to SCE. Failure to revise the Operations Report in a satisfactory manner or return it to SCE within the allotted 10 business days may result in suspension of program activities.

E. Transportation:

1. Provide transportation as follows: Contractor shall obtain and distribute bus passes to Participants who (i) are members of the Target Population, (ii) require transportation to and/or from the Cool Center, and (iii) can reasonably be expected to use the bus for such transportation. The bus passes should be valid for the Operating Period, but should not be valid for any substantial period beyond the Operating Period. For Participants who (i) are members of the Target Population and (ii) require transportation to and/or from the Cool Center but cannot reasonably be expected to use the bus, Contractor must provide car and/or van service to transport such Participants to and from the Cool Center as needed. Contractor

shall not provide transportation to any Participant who does not meet the requirements set forth in this paragraph without prior approval from SCE.

2. Use its best efforts to encourage and organize ride-sharing among Participants.
3. Maintain each vehicle, if any, used by Contractor to transport Participants in safe operating condition during the Operating Period. Such vehicle(s) must be equipped to accommodate passengers for transportation purposes, including, but not limited to, having a seat belt available for each passenger, and must be covered by insurance as set forth in section F2 below.
4. Ensure that any person employed by Contractor to operate a vehicle used to transport Participants (i) meet the “Fitness for Duty” requirements of the 20__ Cool Center Program Agreement, (ii) have and maintain a valid California Driver’s License to operate such vehicle, and (iii) have and maintain a safe driving record at all times during the Operating Period.

F. Insurance

1. Maintain insurance on the Cool Center operations during the Operating Period in accordance with the requirements of Section 16 of the Agreement. Contractor must provide SCE with proof of insurance coverage for the Cool Center prior to beginning Cool Center operations.
2. Maintain insurance on each vehicle, if any, used by Contractor to transport Participants to and from the Cool Center during the Operating Period in accordance with the requirements of Section 16 of the Agreement. Contractor must provide SCE with proof of insurance coverage for a vehicle prior to using such vehicle to transport Participants to and from the Cool Center.

Attachment D-2

Cool Center Program Operations Plan and Budget

Attachment D-2
20__Cool Center Program

Operations Plan and Budget

Contractor: _____ **Cool Center:** _____

Prepared by: _____ **Street:** _____

Title: _____ **City:** _____

Date: _____ **State/Zip Code:** _____

Estimated number of participants to be served per month:	
---	--

Please complete your budget on the following pages and provide any additional information you may wish in the “Comments” section below.

Comments:

20__ Cool Center Program

Operations Plan and Budget

Expense Category

Description

Budget

Note:

Incremental costs, where noted, are those costs that would not have been incurred by the Contractor in the absence of the Cool Center.

Administrative

Management or administrative personnel providing oversight for the facility but not directly associated with providing Cool Center services

\$ _____

1. Prorated salary for days worked (no paid time off)
2. Prorated hourly wages for days worked (no paid time off)
3. Payroll taxes
 - a. Employer contribution for Social Security (not employee's contribution) at 6.20%
 - b. Employer contribution for Medicare (not employee's contribution) at 1.45%
 - c. Any other employee-related expense required by Federal or State government if explained, the calculation method is described, **and is preapproved by the SCE Cool Center Program Manager.**

Janitorial services

Insurance (prorated for the Cool Center operational period)

Office supplies

Rent or lease fees for the time the facility is operating as a Cool Center

Bookkeeping

Photocopying

Exclusions: Capital items such as, but not limited to, furniture, appliances, computers and peripherals, and electronic entertainment equipment, are not covered by the Cool Center Program.

20__ Cool Center Program

Operations Plan and Budget

Expense Category

Description

Budget

Note:

Incremental costs, where noted, are those costs that would not have been incurred by the Contractor in the absence of the Cool Center.

Utilities

Electricity costs (if prorated, the method must be described)

\$ _____

Percentage of your electric bill will be allocated to the Cool Center:

% _____

Staff

Prorated use of existing facility staff and/or incremental supplemental staff providing direct operational support for the Cool Center

\$ _____

1. Salary for days worked (no paid time off)
2. Hourly wages for days worked (no paid time off)
3. Payroll taxes

a.

Employer's contribution for Social Security (not employee's contribution) at 6.20%

b.

Employer's contribution for Medicare (not employee's contribution) at

20__ Cool Center Program

Operations Plan and Budget

Expense Category

Description

Budget

Note:

Incremental costs, where noted, are those costs that would not have been incurred by the Contractor in the absence of the Cool Center.

1.45%

- c. Any other employee-related expense required by Federal or State government if explained and the calculation method is described

Exclusions: Costs for management or administrative personnel not directly involved with providing Cool Center services, but who provide incremental administrative or oversight services that would not be required but for the Cool Center, should be included under the "Administrative" category.

Costs for volunteer personnel are not covered by the Cool Center Program.

Please provide number of staff persons at this Cool Center site:

20__ Cool Center Program

Operations Plan and Budget

Expense Category

Description

Budget

Note:

Incremental costs, where noted, are those costs that would not have been incurred by the Contractor in the absence of the Cool Center.

Supplies

Craft supplies
Game supplies
Prizes

\$ _____

Outreach/Education

Printing and distribution of:
1. Flyers
2. Brochures

\$ _____

Advertising in media such as newspaper or radio

Banners

Cost of educational workshops or other assistance to inform Cool Center participants about energy efficiency and low-income programs

Note: SCE will provide materials concerning its other energy efficiency and low-income programs for distribution to Cool Center participants.

Entertainment and food used for events specifically used to outreach for the Cool Center **if preapproved by the SCE Cool Center Program Manger**

Please describe how you will outreach to promote the Cool Center:

20__ Cool Center Program

Operations Plan and Budget

Expense Category

Description

Budget

Note:

Incremental costs, where noted, are those costs that would not have been incurred by the Contractor in the absence of the Cool Center.

Transportation

Bus passes

\$ _____

Owned vehicle

1. Fuel
2. Insurance
3. Minor maintenance such as oil changes

Rented or leased vehicle

1. Rental or lease fees
2. Mileage charges if separate from rental or lease fees

Exclusions: Costs to transport participants who are not members of the target population (low-income, seniors, and disabled persons) or to pay for non-Cool Center vehicle operation, and mileage associated with rental vehicles (unless charges are included in the rental contract), are not covered by the Cool Center Program.

Please describe what method(s) of transportation you will provide:

20__ Cool Center Program

Operations Plan and Budget

Expense Category

Description

Budget

Note:

Incremental costs, where noted, are those costs that would not have been incurred by the Contractor in the absence of the Cool Center.

Refreshments

Bottled water
Soft drinks
Punch
Coffee
Tea
Baked goods
Snack foods
Fruit

\$ _____

Exclusions: Food purchases that could be construed as providing full meals for participants are not considered refreshments for daily Cool Center activities. They may be considered a cost for an outreach event if they fall within the guidelines set forth in the "Outreach/Education" section above.

Total Budget: \$ _____

Attachment D-3

Summary of SCE's Cool Center Program Proposals for 2009, 2010 and 2011

Attachment D-3
Summary of SCE's Cool Center Program Proposals for 2009, 2010 and 2011

Proposal	Description	Benefits	Current Practice
1. Approval of budget and plans for 2009-2011 program administration and implementation	Approval of \$777,000 in 2009; \$742,000 in 2010; \$792,000 in 2011 for program administration and implementation	Provision of Cool Centers to help customers find relief from hot temperatures	Continue funding
2. Approval to reallocate funding among Cool Center budget categories as changing conditions warrant to meet Cool Center goals and objectives.	Reallocate funding among Cool Center budget categories as changing conditions warrant to meet goals and objectives.	Allows the ability to respond to changing needs within program activities without delays	Same
3. Continue to fund Cool Centers in the event there is a delay in issuing a decision	In the event there is a delay in issuing a decision on the 2009-2011 budget, fund 2009 Cool Center activities using approved 2009 program funds	Ensures a seamless delivery of service to customers	New

Attachment E-1
Witness Qualifications

1 Q. What is the purpose of your testimony in this proceeding?

2 A. The purpose of my testimony in this proceeding is to sponsor portions of Exhibit SCE-1,
3 entitled *Testimony of Southern California Edison Company in Support of Application for*
4 *Approval of Low-Income Assistance Programs and Budgets for Program Years 2009, 2010,*
5 *and 2011*, as identified in the Table of Contents thereto.

6 Q. Was this material prepared by you or under your supervision?

7 A. Yes, it was.

8 Q. Insofar as this material is factual in nature, do you believe it to be correct?

9 A. Yes, I do.

10 Q. Insofar as this material is in the nature of opinion or judgment, does it represent your best
11 judgment?

12 A. Yes, it does.

13 Q. Does this conclude your qualifications and prepared testimony?

14 A. Yes, it does.

1 A. Yes, I do.

2 Q. Insofar as this material is in the nature of opinion or judgment, does it represent your best
3 judgment?

4 A. Yes, it does.

5 Q. Does this conclude your qualifications and prepared testimony?

6 A. Yes, it does.

1 Q. Insofar as this material is in the nature of opinion or judgment, does it represent your best
2 judgment?

3 A. Yes, it does.

4 Q. Does this conclude your qualifications and prepared testimony?

5 A. Yes, it does.
6