

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking Regarding Policies,
Procedures and Rules for the Low Income Energy
Efficiency Programs of California's Energy Utilities.

Rulemaking 07-01-042
(Filed April 27, 2007)

COMMENTS OF THE GREENLINING INSTITUTE ON RULEMAKING

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INTRODUCTION: Seizing an Opportunity

Greenlining fully supports and affirms this Commission’s overall LIEE goal of assuring “that the residence of every low income customer in California is energy efficient by 2015.” This has been noted by some as being a lofty, even impossible, goal to be met. Greenlining believes that this goal not only has the potential to be realized but is an environmental and economic imperative. The future environmental and economic well being of California’s low income communities is dependant on the adoption of effective energy policies that not only support cost savings through weatherization and appliance updating but also through outreach, education, innovation and access to advanced and clean energy technologies.

This Commission has already established itself as the means by which this environmental and economic well being can be achieved, something that is beneficial to the overall environment

and economy of the entire State of California. Through the past investments in low income communities through other CPUC administered programs and through regulatory policies that strike a necessary balance between consumer needs and rights and the desires of corporations, this Commission has created a legacy of being a champion for what is best for all of California, including its most vulnerable citizens, the 70% who live from paycheck to paycheck.

Greenlining believes that, as it has done in the past, this Commission will fully seize this opportunity to address the energy and environmental needs of low income communities and help them enter into a world of environmental and economic sustainability through access to new and advanced technologies that lead to renewable, clean, cost efficient and environmentally sound use of energy sources. In our comments, we will outline the primary areas of focus necessary to ensure that this takes place (including a necessary tripling of funding for LIEE programs and implementation of education, innovation and development programs) in order for low income communities to be fully energy efficient by 2015 and for this Commission to maintain and strengthen the legacy it has established thus far in its policies and programs.

Furthermore, this opportunity is one that will continue to catapult California to a position of leadership, both nationally and globally. Comprehensive and well funded energy efficiency programs have the potential to become the model for other states as they make policy strides towards addressing changing energy needs and environmental sustainability. The savings and ease of energy burden that California stands to benefit from by enacting more comprehensive and better funded LIEE programs could be realized 8 times greater by the world at-large.¹

¹ This is based on the State of California being roughly 12% of the world's total population.

Energy Efficient California:

Green IDEAS - Innovation, Development, Education, Access and Savings

Innovation and Development

A great opportunity for innovation in environmental history is now upon us as we seek new methods for providing needed energy to complete our most common daily actions. Much as the digital revolution met a need for more rapid and efficient communication and information gathering, a major part of the green revolution will be the meeting of the need for more efficient and environmentally safe sources of energy. As a state and a nation, we can not afford to overlook or underfund the innovation that can come out of particular communities as they seek to empower themselves and respond to the unique and distinctive energy and environmental needs within their community.

Greenlining affirms that a major priority of this proceeding be how to incorporate new, advanced and clean technologies into LIEE programs. In addition, we wish to see resources directed towards long term investments in innovation and development incubators, in order for low income communities to reap the full benefits (in savings, jobs, etc.) that result from the undisputable trend towards renewable energy sources, here in this state and throughout the world.

In fact, it is across the world where one finds one of the best examples of the necessity of innovation and development in the pursuit of energy efficiency. In Abu Dhabi, (the largest of the

United Arab Emirates and considered by some to be “the richest city in the world”²) major and revolutionary investments are being made into new corporations, educational institutions and economic development centers all focusing on one common goal: the creation and commercialization of clean, green and efficient energy sources.

The irony of these actions is that Abu Dhabi, a city whose indisputable and incomparable wealth is due to global oil dependence, has taken the most proactive and wide reaching steps to move their citizenry and their major investments to more efficient energy sources. For example, the Government has established the Mubadala Development Company³, the Masdar Clean Tech Fund, the Sustainable Technologies and Advanced Research (STAR) program and the Masdar Business Incubator.⁴

Greenlining sees the LIEE programs as a prime opportunity for the CPUC and the state’s energy utilities to invest through a similar means. The backbone of the aforementioned Abu Dhabi programs are public-private partnerships and this is a method of sustainable and far reaching investments that already exists in other areas at the CPUC and is easily transferable to LIEE.

Not only is this model easily transferable but its application to LIEE will pay off immensely as it falls in line with the stated broad program objectives. By investing in innovation and development, we will ensure that energy efficiency maintains its link with overall environmental

² See “http://money.cnn.com/magazines/fortune/fortune_archive/2007/03/19/8402357/index.htm?cnn=yes”

³ The Mubadala Development Company is a wholly owned investment vehicle of the Government of the Emirate of Abu Dhabi. Mubadala will invest in a wide range of strategic sectors – in partnership with local, regional and international leaders and policymakers – including energy, utilities and public-private partnerships. See “<http://www.mubadala.ae/en/index.asp>”

⁴ The Masdar Clean Tech Fund, the Sustainable Technologies and Advanced Research (STAR) program and the Masdar Business Incubator are all key components of the Abu Dhabi Future Energy Company - Masdar Initiative’s Innovation and Investment Unit. See “http://www.mubadala.ae/en/content/masdar_initiative.asp”

sustainability, we will ensure that jobs and new technologies grow out of wholly invested programs, we will ensure that customers of all income levels benefit in savings and the introduction of new energy sources and we decrease the overall burden on the state's energy resources.

Education

In order for energy savings (in dollars, kw/hr and therms) to fully occur and be sustained, low income households and communities must be made fully aware of (1) the benefits of energy efficiency; (2) the methods by which to achieve this efficiency and the resulting savings and; (3) how energy efficiency is related to overall economic and environmental sustainability. In order to achieve these three objectives Greenlining proposes an Energy Efficiency Literacy Program that comprises the outreach and marketing for LIEE programs, awareness of individual customer savings and patterns of energy use, and availability of jobs and advanced technologies relating to clean energy within low income communities.

In order to successfully meet the broad program objectives of “safety and comfort of low income customers” and “environmental quality and reduction of green house gases” (both of which Greenlining fully support) LIEE programs must make education a top priority. Financial literacy programs seek to empower individuals and families by equipping them with the knowledge and tools to better understand their own finances and how to best make use and leverage those finances in hopes that they will not only continue to “make ends meet” but also grow limited funds into more sustainable economic resources.

Energy Literacy programs will seek to achieve the same results, with the exception of equipping low income families with a greater understanding of the cost and energy savings acquired through efficient use of energy sources, the benefits of advanced energy technologies such as solar paneling and the potentials for economic development through the clean technology industry. In order to fully meet the above stated goals relating to environmental quality and safety and comfort, families must be made aware of the void that exists in these areas and how those voids relate to their particular lives and communities. With this critical information, families will be able to make the soundest decisions in their energy use and will also be able to actively engage in necessary steps to improve the quality of their respective environments, contributing to the necessary move of the entire state towards a more sustainable environment.

In addition to Energy Literacy programs focusing on raising and awareness and understanding among low income customers, Greenlining also believes that these educational tools are best supplemented by a comprehensive approach to measuring the success of all LIEE programs. Currently there are no measures to establish benchmarks of success. This has led to the penetration rates for LIEE programs staying well below the level of potential customers and the participating utilities being without necessary data in how to best administer these programs both in the program components and the related outreach and marketing.

In order for a goals based approach to the budgeting to be wholly successful, relevant data as to what prior goals have been attained is crucial. This is both an administrative and financial necessity. As we develop programs focusing on efficiency, finding the best application of budgeted funds would seem most logical. That determination is only possible with an awareness of what has and has not worked in prior cycles, in different consumer areas, with respective

utilities, etc. In essence, the nuances (no matter how seemingly minute or unimportant) are actually vital to understanding and meeting the needs of low income communities, their energy use and their unique environments.

Access

Access to technology is critical to ensuring that energy efficiency programs are equitable for low income communities. While the California Solar Initiative is ambitious and well meaning, its directive towards low income families falls short of meeting the needs, both in regards to infrastructure, access and affordability that is required in ensuring equitable technology access.

The introduction of new and advanced energy technologies into low income communities should be a top priority of both this Commission, this proceeding and any entity looking to bring down energy costs and ease the burden on the pockets of California's poorest and the burden on the state's overall energy resources. The savings opportunities combined with the environmental benefits of solar, wind and hydrogen energy technologies are incentive to look into developing a streamlined process for utilities to include advanced technologies in their initial applications for funding LIEE programs. In addition to this, Greenlining believes that the access to these technologies should not be cut off once a LIEE budgeting cycle has been initiated.

We also believe that a process (once again, one that is efficient and streamlined) should be implemented that allows for the introduction and funding for advanced energy technologies that utilities wish to deploy through their LIEE programs during any point in a budget cycle.

Currently there is no such process in place, a factor that limits both low income access to these technologies and the potential overall savings and benefits of the LIEE programs.

Greenlining will be working closely with the CPUC and the energy utilities to develop potential schemes of this process in hopes that a relevant and appropriate system will be put in place that will help meet the stated program objective of “equity for low income customers.”

Savings

A key component of energy efficiency is economic/financial efficiency in the use of energy. For families and communities that are already underserved and lack access to financial resources, conservation and efficiency are not simply luxuries or passing fads but necessary steps for ensuring optimal use of limited financial means. In order for a truly comprehensive definition of energy efficiency to be established and met by 2015, Greenlining encourages the Commission to adopt energy savings targets as a part of the goals of future LIEE programs.

In addition to financial savings, Greenlining believes strongly that LIEE programs can bring about savings of about 300 million kilowatts per hour and 12 million therms of natural gas. Savings such as these equate not only to more money in the pockets of families that need it the most but also potential decreases in overall energy use. With the total burden on the state’s energy resources rapidly increasing, it is critical that any programs and policies seeking to realize energy efficiency make all measurements of energy savings a priority goal.

Greenlining's Support and Commitment

As mentioned, Greenlining fully supports this Commission's ambitious goal of ensuring that every low income family is energy efficient by 2015. We believe that the LIEE programs in their current state lack the resources, scope and depth to realize this goal, based both on time and definition of energy efficient.

With further investigation, dialogue and information gathering through concurrent workshops, we are confident that this proceeding will result in a LIEE program structure that is equitable, wholly funded, and meets the needs of low income communities through IDEAS (innovation, development, education, access and savings). This direction will not only benefit and improve the environments of low income families and communities but will do so for all Californians.

This state is poised to be the global leader in energy efficiency and environmental sustainability but it will fall short if its most vulnerable citizens are left out of the fray. This Commission has ensured that this has not occurred in many other instances and we are looking to it, the utilities and other interested parties to do the same in this proceeding, led in part by the CEOs of Sempra, PG&E and Edison.⁵

⁵ See these instances of national recognition of PG&E's leadership in environmental responsibility: http://money.cnn.com/galleries/2007/fortune/0703/gallery.green_giants.fortune/6.html

Dated: April 27, 2007

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/s/ _____

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Rulemaking
(Filed February 26, 2007)

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a copy of:

COMMENTS OF THE GREENLINING INSTITUTE ON DRAFT DECISION

on all known parties to the above-captioned proceedings by mailing a properly addressed copy by first-class mail with postage prepaid, transmitting a facsimile copy, and/or transmitting an electronic copy to each party named in the official service list as maintained on the California Public Utilities Commission's web page.

Executed on April 27, 2007 at Berkeley, California.

/s/

Mark Rutledge

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