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BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Pacific Gas and Electric Company for Approval of the 2009-2011 Low Income Energy Efficiency and California Alternate Rates for Energy Programs and Budget (U 39 M).

Application 08-05-022
(Filed May 15, 2008)

Application of San Diego Gas & Electric Company (U 902 M) for Approval of Low-Income Assistance Programs and Budgets for Program Years 2009-2011.

Application 08-05-024
(Filed May 15, 2008)

Application of Southern California Gas Company (U 904 G) for Approval of Low-Income Assistance Programs and Budgets for Program Years 2009-2011.

Application 08-05-025
(Filed May 15, 2008)

Application of Southern California Edison Company (U 338-E)) for Approval of Low-Income Assistance Programs and Budgets for Program Years 2009, 2010 and 2011.

Application 08-05-026
(Filed May 15, 2008)

**ADMINISTRATIVE LAW JUDGE'S RULING
SEEKING FURTHER INFORMATION
ON LARGE INVESTOR-OWNED UTILITIES' 2009-2011
LOW INCOME ENERGY EFFICIENCY/CARE APPLICATIONS**

To Pacific Gas and Electric Company (PG&E), Southern California Edison Company (SCE), San Diego Gas & Electric Company (SDG&E), and Southern California Gas Company (SoCalGas):

Within 10 days of issuance of this ruling, please file and serve responses in response to the questions in Appendix A about your 2009-2011 Low Income Energy Efficiency (LIEE) and California Alternate Rates for Energy (CARE) applications. If you need clarification of any question in this ruling, please email the Administrative Law Judge and the service lists in advance of the due date rather than trying to guess at what the question means. Repeat the question before giving each response.

IT IS SO RULED.

Dated June 17, 2008, at San Francisco, California.

/s/ SARAH R. THOMAS

Sarah R. Thomas
Administrative Law Judge

APPENDIX A

Questions for PG&E

1. Your LIEE budget will increase from approximately \$77 million to \$141 million per year, on average. Your energy savings will increase from 5410 kilowatts (KW) and 1,208,300 therms in 2007, to 6504 KW in 2009, 8933 KW in 2010, and 8949 KW in 2011; and to 1,402,511 therms in 2009, 1,933,284 therms in 2010, and 1,928,930 therms in 2011. *See* Attachments A-1 and A-2 to your application.¹

Please explain why the energy savings figures will not increase concomitantly with spending.

2. Your application indicates the following changes in LIEE measures:

PG&E 2009	PG&E 2007 actual
1181 room AC, ² 139 central AC	1059 room AC, 100 central AC
1579 evaporative coolers	2059
22,440 refrigerators	17,230
503,200 CFLs ³	391,128
46,434 homes weatherized	176,594
80,000 ⁴ outreach and assessment ⁵	63,319
3005 furnaces	2156

¹ Compare, e.g., SCE's proposed budget increases and energy savings. SCE proposes a 64% increase in LIEE funding in 2009, and savings increases from 3389 KW in 2008 to 10,952 KW in 2009, 12,276 KW in 2010, and 12,483 in 2011.

² Air conditioning.

³ Compact florescent lightbulbs. PG&E will install 691,900 CFLs in 2010 and 691,900 in 2011.

⁴ PG&E lists no In Home Education or Education Workshops in 2008-11, so these figures are Outreach and Assessment.

⁵ PG&E lists 110,000 Outreach and Assessment contacts in 2010, and 110,000 in 2011.

53,808 water heater conservation meas. 77,859

- a. Please explain why the number of CFLs installed will significantly increase over time, and whether this increase is consistent with the following statement in Decision (D.) 07-12-051:

Under our general energy efficiency rules, utility portfolios must include measures that provide long-term, enduring energy savings, and we emphasized this policy in our recent decision, D.07-10-032. Examples include programs for installations of refrigerators, changes in codes and standards, and building modifications. *Lighting programs can provide short-term benefits, but the utilities should not rely on CFLs as a primary program focus, especially if the installation and actual use of those products are not assured.* D.07-12-051, *mimeo.*, p. 37 (emphasis added).

- b. State whether PG&E or its contractors will install each CFL delivered to customers, or whether, by contrast, PG&E will give CFLs to customers to install themselves. If the latter, discuss whether energy savings counted for CFLs should be discounted to account for those customers who do not install the lightbulbs.
 - c. Please explain the reason for decreases over time in any other measure listed above, or any other measure in Attachment A-2 to your application.
3. You propose to increase the education portion of your LIEE program approximately in the following amounts: from 63,319 Outreach and Assessment contacts in 2007 (actual) to 80,000 in 2009, 110,000 in 2010 and 110,000 in 2011.⁶ State why you propose the increases and explain how increased education efforts will lead to increased energy efficiency as well as safety and comfort. What number/percentage of your total education-related sessions will result in immediate installation of, or commitments/appointments to install, energy efficiency measures?

⁶ Please correct these totals if they are incorrect.

4. You propose several pilots in your application (Testimony, page 1-60, et seq.) How many will result in installation of LIEE measures, and how many measures of each type (with related energy savings) do you project?
5. You describe two proposed studies in a manner that makes it difficult to differentiate them. The Process Evaluation (Testimony, page 1-67) will assess “customer willingness to participate in energy saving programs, the particular needs of high usage customers and how all of our low-income customers respond to energy education and communication efforts.” The Joint Utility LIEE Household Segmentation Study will do the same thing. How are these two studies different, and if they are not, why do you propose both studies?
6. You are requesting \$500,000 for integration purposes. (Testimony, page 1-72). Integration should ultimately result in cost savings. Comment on this proposition, and estimate when the savings will begin and where they will occur.
7. Is your fund-shifting proposal (Testimony, page 1-77) limited in any way (e.g., by dollar amount or percentage of total)?
8. How much have PG&E shareholders contributed to date, and by year, to the REACH program? Please also explain the current relationship and any processes of coordination between the LIEE program and REACH PLUS.
9. Explain how the NGAT⁷ funding has been recovered in the past several LIEE cycles, and the reasons the Commission gave for its approach(es)?
10. How many employees (at the utility, contractors/subcontractors and community based organizations) and what types of employees does your LIEE program currently have, and how will these numbers change in 2009, 2010 and 2011 if your budget is approved?

⁷ Natural Gas Appliance Testing.

Questions for SCE

11. Your application indicates the following changes in LIEE measures:

SCE 2009	SCE 2008 authorized
850 room AC units, 4000 central AC	1011 room, 1783 central
8000 evap. coolers	6710
20,000 refrigerators	16,913
277,431 CFLs	194,127
1375 homes weatherized	1336
75,000 energy education	47,135
100 heat pumps	192
2475 torchiere lamps	0
1200 pool pumps	213
418 furnaces	0

- a. Please explain why the number of CFLs installed will significantly increase over time, and whether this increase is consistent with the following statement in D.07-12-051:

Under our general energy efficiency rules, utility portfolios must include measures that provide long-term, enduring energy savings, and we emphasized this policy in our recent decision, D.07-10-032. Examples include programs for installations of refrigerators, changes in codes and standards, and building modifications. *Lighting programs can provide short-term benefits, but the utilities should not rely on CFLs as a primary program focus, especially if the installation and actual use of those products are not assured.* D.07-12-051, *mimeo.*, p. 37 (emphasis added).

- b. State whether SCE or its contractors will install each CFL delivered to customers, or whether, by contrast, SCE will give CFLs to customers to install themselves. If the latter, discuss

- whether energy savings counted for CFLs should be discounted to account for those customers who do not install the lightbulbs.⁸
- c. Is your proposal for door-to-door delivery of lightbulbs in zip codes with large low income populations (Testimony, page 36) consistent with the Commission decision or the 2005 Impact Evaluation study? Explain.
 - d. Does Table IV-6 (Testimony, page 29) assume savings based on all lightbulbs being installed, or does it discount for CFLs that customers will not install?
 - e. Please explain the reason for decreases over time in any other measure listed above, or any other measure in Attachment A-2 to your application.
12. You propose to increase the education portion of your LIEE program approximately in the following amounts: from 47,135 to 75,243 energy education sessions in one year. State why you propose the increases and explain how increased education efforts will lead to increased energy efficiency as well as safety and comfort. What number/percentage of your total education-related sessions will result in immediate installation of, or commitments/appointments to install, energy efficiency measures?
13. One of your leveraging proposals is to allow current authorized funds used in cooperation with the California New Homes Program (CANHP) to be reserved, or set aside, with CANHP projects that may take years to start/finish, possibly into the next 2012-2014 budget cycle. How do you propose to handle the funding-carryover issues? Are the eligibility requirements you list for CANHP (Testimony, page 56-57) flexible? They seem difficult to meet, but comment on this observation.

⁸ See Testimony, page 30: The 2005 impact evaluation stated that the IOUs should ensure that CFLs are installed to raise retention rates from the 65% found in the on-site survey.

14. Why do you propose to increase your CARE administrative expenses by approximately \$1.3 million (an approximately 30 percent increase for a program that is estimated at 78% penetration)?
15. Why do you propose landlord co-payments for LIEE measures (Testimony, page 39)? Is there precedent for such an approach?
16. What, if any, new avenues of data sharing for LIEE outreach appear promising (*i.e.*, likely to result in data sharing and LIEE customer enrollment)? (Testimony, page 48.)
17. Do your WE&T School Program (Testimony, page 59) and Energy Leader Partnership Program (page 60) have LIEE measures associated with them, or are they purely education programs?
18. Why do you plan no pilots for 2009-11 (Testimony, page 64)?
19. Is your fund-shifting proposal limited in any way (*e.g.*, by dollar amount or percentage of total)?
20. How many employees (at the utility, contractors/subcontractors and community based organizations) AND WHAT TYPES OF EMPLOYEES does your LIEE program currently have, and how will these numbers change in 2009, 2010 and 2011 if your budget is approved?

Questions for SDG&E

21. Your application indicates the following changes in LIEE measures:

SDG&E 2009	SDG&E 2008 authorized
430 room AC units, 230 central AC	50 room, 74 central
9 evap. coolers	8
3830 refrigerators	4535
149,029 CFLs ⁹	68,899
8241 homes weatherized	8143
20,000 energy education	10,263
4750 torchiere lamps	492
1525 furnaces	942

- a. Please explain why the number of CFLs installed will significantly increase over time, and whether this increase is consistent with the following statement in D.07-12-051:

Under our general energy efficiency rules, utility portfolios must include measures that provide long-term, enduring energy savings, and we emphasized this policy in our recent decision, D.07-10-032. Examples include programs for installations of refrigerators, changes in codes and standards, and building modifications. *Lighting programs can provide short-term benefits, but the utilities should not rely on CFLs as a primary program focus, especially if the installation and actual use of those products are not assured.* D.07-12-051, *mimeo.*, p. 37 (emphasis added).

- b. State whether SDG&E or its contractors will install each CFL delivered to customers, or whether, by contrast, SDG&E will give CFLs to customers to install themselves. If the latter, discuss whether energy savings counted for CFLs should be discounted to account for those customers who do not install the lightbulbs.

⁹ Same amounts of CFLs for SDG&E in 2010 and 2011.

- c. Please explain the reason for decreases over time in any other measure listed above, or any other measure in Attachment A-2 to your application.
22. You propose to increase the education portion of your LIEE program approximately in the following amounts: from 10,263 energy education sessions in 2008 to 20,000 in 2009. State why you propose the increases and explain how increased education efforts will lead to increased energy efficiency as well as safety and comfort. What number/percentage of your total education-related sessions will result in immediate installation of, or commitments/appointments to install, energy efficiency measures?
23. Is your fund-shifting proposal limited in any way (*e.g.*, by dollar amount or percentage of total)?
24. Do you foresee any confidentiality issue/problem with your proposal (Testimony, page 14) to share with one customer the household consumption with like homes in the neighborhood?
25. Do you have any research indicating that the LIEE cash rewards you propose (Testimony, page 16) will increase LIEE enrollment or energy savings? Will only new customers be eligible or existing customers as well? Will the program be in effect for one year, or every year? Are other incentives besides cash under consideration?
26. Why are the measures in Table 7 (Testimony, page 17) the same across all usage levels?
27. Do you have any numbers related to your statement that “many of the LIEE contractors and subcontractors already hire their crews from the low income community. For example, CBOs hire from the training programs they currently administer through their agencies”? (Testimony, page 25.) How many persons were hired in the last budget cycle, by year, if you know?
28. How many employees (at the utility, contractors/subcontractors and community based organizations) AND WHAT TYPES OF EMPLOYEES

does your LIEE program currently have, and how will these numbers change in 2009, 2010 and 2011 if your budget is approved?

29. On page 34 of SDG&E's application under section H. Competitive Bid, SDG&E notes that they submitted an RFP plan to the Energy Division and are waiting feedback. Energy Division reports that SDG&E did not submit this plan. Explain.
30. How did SDG&E determine its proposed split between gas and electric in terms of measures and program costs?
31. On page 14 of SDG&E's application, SDG&E is proposing the elimination of the 3-measure minimum currently required for participation in the LIEE program. What would be the cost (administrative costs, marginal costs) of implementing fewer than 3 measures as contrasted with the benefits (energy bill savings and energy usage savings)?

Questions for SoCalGas

32. You propose to increase the education portion of your LIEE budget approximately in the following amounts: from 44,700 energy education sessions in 2008 to 95,000 in 2009, 123,000 in 2010, and 125,000 in 2011. State why you propose the increases and explain how increased education efforts will lead to increased energy efficiency as well as safety and comfort. What number/percentage of your total education-related sessions will result in immediate installation of, or commitments/appointments to install, energy efficiency measures?
33. How many employees (at the utility, contractors/subcontractors and community based organizations) and what types of employees does your LIEE program currently have, and how will these numbers change in 2009, 2010 and 2011 if your budget is approved?
34. Is your fund-shifting proposal limited in any way (*e.g.*, by dollar amount or percentage of total)?

Questions for all IOUs (if not answered previously; if answered, indicate where)

35. The tables in Attachment 1 compare various metrics in your applications across all four IOUs. You will note that the following discrepancies appear among the IOUs; please explain them:
- a. The results of SCE's Modified Participant Test for cost effectiveness are far higher than those for the other IOUs. Please explain the discrepancy.
 - b. The IOUs' budget increases do not result in comparable increases in energy savings. Please explain.
 - c. The ratio of energy savings to dollars budgeted is decreasing over time for PG&E and SDG&E. Please explain.
 - d. The energy savings per home is decreasing for PG&E. Please explain.
 - e. The dollars spent per home are increasing for all IOUs. Please explain.
36. How do you plan to incorporate the Commission's zero net energy by 2020 in new residential construction goal from the Energy Efficiency proceeding into your LIEE program? Give details.

INFORMATION REGARDING SERVICE

I have provided notification of filing to the electronic mail addresses on the attached service lists.

Upon confirmation of this document's acceptance for filing, I will cause a Notice of Availability of the filed document to be served upon the service lists to the proceedings Application (A.) 08-05-022, A.08-05-024, A.08-05-025, A.08-05-026; and Rulemaking 07-01-042 and A.07-05-010, by U.S. mail. The service lists I will use to serve the Notice of Availability of the filed document are current as of today's date.

Dated June 17, 2008, at San Francisco, California.

/s/ KE HUANG

Ke Huang