

**BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA**

Application of San Diego Gas & Electric Company (U 902 M) for Approval of Low-Income Assistance Programs for Program Years 2007 and 2008.

Application 06-06-032  
(Filed June 30, 2006)

Application of Southern California Gas Company (U 904 G) for Approval of Low-Income Assistance Programs and Budgets for Program Years 2007 and 2008.

Application 06-06-033  
(Filed June 30, 2006)

Application of Pacific Gas and Electric Company (U 39 M) for Approval of the 2007 and 2008 California Alternative Rates for Energy and Low Income Energy Efficiency Programs and Budget.

Application 06-06-034  
(Filed June 30, 2006)

Southern California Edison Company's (U 388-E) Application for Approval of Low-Income Assistance Programs and Budgets for Program Years 2007 and 2008)

Application 06-07-001  
(Filed July 3, 2006)

**RESPONSE OF PACIFIC GAS AND ELECTRIC  
COMPANY TO SOUTHERN CALIFORNIA EDISON  
COMPANY'S APPLICATION FOR APPROVAL OF  
LOW-INCOME ASSISTANCE PROGRAMS AND  
BUDGETS FOR PROGRAM YEARS 2007 AND 2008**

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Dated: July 31, 2006

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**I. INTRODUCTION**

Pursuant to Rule 44.1 of the California Public Utilities Commission Rules of Practice and Procedure, Pacific Gas and Electric Company (PG&E) hereby responds to Southern California Edison Company's Application for Approval of Low-Income Assistance Programs and Budgets for program Years 2007 and 2008 ("SCE's Low Income Application"). Specifically, PG&E responds to SCE's request to expand eligibility for central air conditioners within the Low Income Energy Efficiency (LIEE) program.

## II. DISCUSSION

In SCE's Low Income Application and supporting Testimony SCE requests approval to expand LIEE eligibility for central air conditioners to California Energy Commission Climate Zone (CZ) 13 and to renters in all CZs. CZ 13 consists of the southern Central Valley, including parts of Fresno, Kern, Kings, Madera and Tulare counties. SCE's stated reason for expanding air conditioner eligibility to CZ 13 is that some geographic areas in CZ 13 experience temperatures over 100 degrees regularly during the summer months and count more cooling degree days during the summer months than many areas in eligible CZs. Although PG&E agrees that portions of CZ 13 may be as hot as other CZs eligible for central air conditioners, PG&E does not agree that the entirety of CZ 13 experiences the same level of heat. For example, PG&E is aware anecdotally that communities such as Livermore and Redding regularly report much hotter temperatures than the average across the rest of their respective CZs. Given that the entirety of CZ 13 may not be subject to the same level of extreme heat, PG&E does not support SCE's recommendation to expand central air conditioner eligibility within the LIEE program to all of CZ 13.

PG&E is concerned that expanding central air conditioner eligibility to all of CZ 13 may not be a cost-effective modification to the LIEE program if there are specific isolated parts of CZ 13 that experience temperatures significantly higher than the remainder of CZ 13. Cost effectiveness analyses conducted by the utilities prior to adopting central air conditioning as a new measure for the 2006 LIEE program indicated that central air conditioning is a cost effective measure in only the two hottest CZs: i.e., CZs 14 and 15.<sup>1</sup> Given the lack of data demonstrating that central air conditioners would be a cost-effective LIEE measure in CZ 13, PG&E believes that at this time it would be premature to require that such an expensive measure be offered in

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<sup>1</sup> *Report on the Assessment of Proposed New Program Year 2006 Low Income Energy Efficiency Program Measures Proposed by the Low Income Standardization Team*, R.04-01-006, filed May 2, 2005

the entirety of CZ 13.

To address potential portions of CZ 13 that are extremely hot, PG&E's 2007-2008 Low Income Application (A.06-06-034) recommended conducting a microclimate study to examine the issue of varied temperatures within a specific climate zone, define relevant microclimates, and determine what microclimates (if any) in PG&E's service area may have conditions making central air conditioners a cost-effective LIEE measure. Specifically, PG&E proposes to work with meteorological staff and weather station data to pinpoint parts of its service area exhibiting extreme climate conditions similar to the very hot CZs in which central air conditioning is most cost-effective. Once these microclimates are identified, PG&E can determine how many customers may qualify for central air conditioners or other less expensive cooling measures, and the overall impact on the LIEE budget. The unanticipated expansion of central air conditioner eligibility to all LIEE-eligible customers in CZ 13 would have a significant impact on PG&E's LIEE budget as proposed in A.06-06-034.

Like SCE, PG&E is committed to making cooling measures available to qualifying LIEE customers living in extremely hot areas. The recent summer heat wave has highlighted the critical need for providing cooling measures to PG&E's most vulnerable customers living in extreme heat conditions. However, at this time, PG&E does not believe a sufficient basis exists to expand central air conditioner eligibility to CZ 13 in its entirety. PG&E will continue to work with SCE, the other IOUs, Commission staff and other interested parties to offer the most beneficial and cost effective mix of measures under the LIEE program.

### **III. CONCLUSION**

For the reasons set forth above, Pacific Gas and Electric Company respectfully requests that the Commission not expand LIEE eligibility for central air conditioners to all of Climate Zone 13. Further, Pacific Gas and Electric Company requests that the Commission



**CERTIFICATE OF SERVICE BY ELECTRONIC MAIL OR U.S. MAIL**  
**A. 06-06-032; A. 06-06-033; A. 06-06-034 and A. 06-07-001**

I, the undersigned, state that I am a citizen of the United States and am employed in the City and County of San Francisco; that I am over the age of eighteen (18) years and not a party to the within cause; and that my business address is Pacific Gas and Electric Company, Law Department B30A, 77 Beale Street, San Francisco, CA 94105.

I am readily familiar with the business practice of Pacific Gas and Electric Company for collection and processing of correspondence for mailing with the United States Postal Service. In the ordinary course of business, correspondence is deposited with the United States Postal Service the same day it is submitted for mailing.

On the 31st day of July 2006, I served a true copy of:

**RESPONSE OF PACIFIC GAS AND ELECTRIC COMPANY TO SOUTHERN  
CALIFORNIA EDISON COMPANY'S APPLICATION FOR APPROVAL OF LOW-  
INCOME ASSISTANCE PROGRAMS AND BUDGETS FOR PROGRAM YEARS 2007  
AND 2008**

By Electronic Mail – serving the enclosed via e-mail transmission to each of the parties listed on the official service list for R.04-01-006 with an e-mail address.

By U.S. Mail – by placing the enclosed for collection and mailing, in the course of ordinary business practice, with other correspondence of Pacific Gas and Electric Company, enclosed in a sealed envelope, with postage fully prepaid, addressed to all parties on the official service list for R.04-01-006 without an e-mail address.

I certify and declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on this 31st day of July 2006 at San Francisco, California.

/s/ Mary B. Spearman  
MARY B. SPEARMAN