

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

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

Rulemaking 07-01-042

Southern California Edison Company's (U 338-E)
Application for Approval of SCE's "Change a Light,
Change the World," Compact Fluorescent Lamp Program.

Application 07-05-010

**REPLY COMMENTS ON LIEE KEMA NEEDS ASSESSMENT AND NGAT
BY A WORLD INSTITUTE FOR A SUSTAINABLE HUMANITY**

SUSAN E. BROWN, Esq.
A W.I.S.H.
P.O. BOX 428
Mill Valley, Ca. 94942
415-259-6316
Fax 415-381-8146

REPLY COMMENTS BY A WORLD INSTITUTE FOR A SUSTAINABLE HUMANITY ON KEMA NEEDS ASSESSMENT AND NGAT

INTRODUCTION

A World Institute for a Sustainable Humanity (“A W.I.S.H.”) takes this opportunity to file Reply Comments on the KEMA needs assessment report (“KEMA”) and natural gas appliance testing (“NGAT”). A W.I.S.H. will not repeat its answers to questions raised in the ruling except to say that virtually no party, except the Association of California Community and Energy Services (“ACCES”) and A W.I.S.H., appears to recognize the crucial link between maximized low income energy efficiency (“LIEE”) and the reduction in greenhouse gases required by AB 32. Nor did most parties relate the “significant untapped potential” highlighted by KEMA to maximizing weatherization through all feasible measures, thereby achieving a greater reduction in greenhouse gases, energy savings, and the promotion of health, safety, and comfort, as contemplated in statute.¹ Indeed, Public Utility Code Section 2790 requires the reduction of “energy-related hardships” along with cost-effectiveness in weighing the LIEE program; it further provides that programs “**shall** use the needs assessment pursuant to Section 382.1 to maximize efficiency of delivery.” Section 382(e) requires periodic needs assessments and **mandates** that the needs assessment “consider whether existing programs adequately address low-income electricity and gas customers’ energy expenditures, hardship, language needs and economic burdens.” KEMA answered that question.

A W.I.S.H. submits that the “significant untapped potential” identified by KEMA, along with findings on energy burden, energy insecurity, and health, safety and comfort dictate a robust reinvigoration of the LIEE program, especially in light of AB 32 environmental goals.

¹ Pacific Gas and Electric (“PG&E”) noted in its Opening Comments at pp. 2-3, 10, that its problem was not finding LIEE-eligible customers, but rather limiting customer expectations due to the LIEE budget. Richard Heath & Associates (“RHA”) agreed that there is significant untapped potential and urges an incremental approach to augmenting the LIEE budgets to be able to reach more homes. Opening Comments of RHA at pp. 11, 14.

Seventy percent of those surveyed reported that their homes were too cold in winter, with another 50% reporting that their homes were too drafty; 86% were concerned with comfort and another 18% identified health problems from the cold.² A W.I.S.H. will not recite the findings on energy burden and insecurity found at page 7 of our Joint Opening Comments.

Only three other parties mentioned leveraging in any meaningful way. Southwest Gas leverages all program dollars through various LIHEAP providers; notably, of the 798 homes treated in 2006, 781 were weatherized.³ It explained how its “CBOs leverage the LIEE and LIHEAP services to maximize the benefit to the customer and install all possible measures in every qualified home.”⁴ PG&E mentioned leveraging at page 7 of its Comments, but only one of its examples was truly leveraging.⁵

The Public Utilities Code **requires** leveraging.⁶ Moreover, it is the only way to meet greenhouse gas reduction goals, along with providing non-energy benefits in a cost effective manner as the statute also dictates. Linkages to the Solar Initiative, water programs, and other energy efficiency programs (federal, state, and municipal) will also provide important synergies.

Apart from the notable omissions in most opening comments on leveraging, non-energy benefits, AB 32 goals, and the existing unmet need, A W.I.S.H. will reply briefly below to parties’ comments on enrollment, targeting, the tiered approach to program delivery, policy concerns regarding renters, data collection, and CARE penetration goals. The Commission’s

² KEMA at Table 5-14, pp. 5-15 & 5-16.

³ Response of Southwest Gas at pp. 3-4. It stated: “Naturally, most customers would prefer to receive the maximum number of measures.”

⁴ Ibid.

⁵ The refrigerator program that it describes where it provides appliances to PG&E customers who qualify for the LIHEAP program, thus allowing LIHEAP providers to fully weatherize a house and install PG&E refrigerators maximizes weatherization dollars and all feasible measures. Mere referral of NGAT failures to LIHEAP, PG&E’s other example of “leveraging” is not leveraging at all, but rather supplanting LIHEAP funds with no added benefit. SCE mentions its coordinated efforts with SoCal Gas and Long Beach Gas & Oil “to provide the customer with all feasible measures.” SCE Comments on ALJ Rulings at p. 15. We note that it does not discuss its significant refrigerator leveraging program with LIHEAP agencies.

decision on all of these issues, along with the dollars allocated for LIEE, will determine whether Californians approach greenhouse gas reduction targets or not; factoring in the non-energy benefits discussed in KEMA along with cost effectiveness and meaningful leveraging will determine whether LIEE programs are in compliance with Public Utilities Code sections cited above. A W.I.S.H. believes that the urgency of the climate crisis coupled with data from the KEMA Report merit a response from the Commission similar to the Rapid Deployment and the Winter Initiative; we urge doubling of the LIEE budget and LIHEAP targets. *See infra* p.9.

I. A W.I.S.H. SUPPORTS SUGGESTIONS ON SIMPLIFIED ENROLLMENT BUT URGES AGAINST TARGETING WEATHERIZATION SERVICES

As with the Winter Initiative, we support SCE’s suggestions on simplified enrollment for LIEE customers, so long as customers are held harmless from any unintentional errors in eligibility. The Commission approved this approach in D.05-10-044, Conclusion of Law No. 7.

SEMPRA cites the Winter Initiative with self-certification as a continuing model, as well.⁷ SCE speaks of categorical or block weatherization, or Census-based eligibility, citing a recent Commission decision on CARE/LIEE as precedent.⁸ This is in keeping with the Commission’s efforts in CARE to automatically enroll participants from other federal and state means-tested programs, such as WIC. Since nearly one third of all Californian’s are low income according to KEMA, it makes sense to pursue categorical, Census block, federal assistance program, and other information available to the utilities to streamline enrollment efforts with eligible populations. As SCE observes: “Qualifying customers based on where they live will provide adequate assurances that LIEE services are reaching the targeted low-income population without requiring service providers to follow time-consuming and costly house-by-

⁶ Sections 382.1(a)(3) & 327(a)(1).

⁷ Joint Comments of San Diego Gas & Electric and Southern California Gas Company at p. 17.

⁸ D.06-12-038, Conclusion of Law, Ordering Paragraph 21.

house verification procedures.”⁹ A W.I.S.H. cautions, however, that simplified enrollment should not be used for “drive-by” weatherization (the practice of leaving cfls or aerators for customer installation) or less than installation of all feasible measures.

We do not oppose targeting for **outreach** where it is demonstrated that certain techniques are most effective with different target populations, as utilities discuss in Opening Comments. A W.I.S.H. opposes targeting different ethnic groups or households by size for weatherization, as does SEMPR (at page 12), because the LIEE is supposed to serve all eligible customers, including seniors on fixed incomes living alone, the disabled in small households, and others who might not fit whatever profile or energy load is designed. Indeed, customer targeting for weatherization might run afoul of Section 453 which prohibits discrimination in the delivery of utility services.

In terms of geographic and climate zone targets for weatherization, while superficially appealing, they should be rejected by the Commission¹⁰ Efforts to target specific climate zones and areas necessarily imply that other zones and areas may be given short shrift. Again, the LIEE program is for all eligible households, not just those in warm climates or in certain parts of the State. Discrimination in the delivery of programs is prohibited. However, A W.I.S.H. supports the concept of ensuring health and safety; as long as non-energy burdens are considered with energy ones, there is no impediment to reaching those who risk their health due to extreme heat, such as in the Central Valley and desert.¹¹

The concept of tiered services should also be rejected, A W.I.S.H. believes.¹² Aside from being potentially discriminatory, it will lead to cherry-picking, cream-skimming, and will

⁹ SCE Comments at p. 12.

¹⁰ Joint Comments of SEMPR (at p. 13 – 14 (SEMPR recognizes that targeting by ethnic group may be discriminatory); SCE Comments at p. 10.

¹¹ Edison supports targeting “to address health and safety concerns associated with ...extreme weather.” SCE Comments at p. 10.

fail to advance Commission and State goals on energy efficiency, greenhouse gases, and non-energy burdens. Shall a senior who expends a high percentage of income on energy be forced to turn off or down heating and cooling equipment in order to eat or buy medicine? This ignores KEMA's conclusions on energy burden and insecurity. RHA discusses picking "the ripe fruit" - an approach we reject -- in terms of high usage and certain climate zones, but acknowledges that this is happening anyway since cooling measures are only available in certain zones.¹³

A W.I.S.H. submits that targeting and tiered approaches should not be approved, except to the extent that they further health, safety and comfort goals. The current all feasible measures approach permits appropriate measures for extreme weather zones.

II. PENETRATION GOALS SHOULD CONTINUE FOR LOW INCOME PROGRAMS

It should be remembered that the investor owned utilities (IOUs) began experiencing greater success in enrolling CARE-eligible customers when the Commission set penetration goals for each IOU.¹⁴ In some cases, penetration increased from approximately 30% to the seventieth percentile range; some IOUs excelled at a higher level. Thus, A W.I.S.H. agrees with SEMPRA that the KEMA suggestion to artificially lower penetration goals is amiss. After all, for CARE the goal is all eligible households *who wish to enroll*; that goal automatically excludes those who do not care to participate. Likewise with respect to the LIEE, A W.I.S.H. agrees with SEMPRA when they conclude: "...the Joint Utilities believe that the best long-term strategy is to retain the goal of 100% of all eligible customers who are willing to participate, taking into consideration the housing stock eligibility for the LIEE program."¹⁵ It goes without saying that this approach can best attain California's greenhouse gas reduction goals, as well as

¹² PG&E is considering a tiered approach "that would target high energy users while still **treating** all eligible low income customers. PG&E Response at p. 4.

¹³ Opening Comments of RHA at p. 3.

¹⁴ D. 02-07-033, Findings of Fact Nos. 12 -13.

¹⁵ Joint Comments of San Diego Gas & Electric and SoCal Gas at p. 10.

health, safety, comfort, and overall energy savings per household.¹⁶

III. IMPROVED DATA COLLECTION IS CRITICAL FOR THE LIEE

A W.I.S.H. agrees with RHA that data collection should be improved.¹⁷ KEMA expressed concern and frustration with data collection and reporting issues attendant to the LIEE. (KEMA at pp. 7-24 – 7-25) KEMA noted that “there is no way to completely assess the comprehensiveness and equity of treatment provided to dwellings located in these overlap areas” and urged data systems that would include municipal utilities and LIHEAP agencies. It further urged “tracking detailed information about measure installations.” A. W.I.S.H. echoes this concern and believes that the monthly reports filed by the utilities should include clear information about the number of dwellings receiving all feasible measures, as well as detailed information on measures and dollars leveraged with LIHEAP, DOE for California, and other funds. As KEMA noted, measure counts by year do not suffice in terms of program analysis.

In D.01-05-033, Ordering Paragraph No. 17, the Commission required the utilities to file monthly reports that included: “(1) a description of the leveraging...activities for both LIEE and CARE programs, including bulk purchases” and (2) “the number of...LIEE measure installations completed to date (by type of measure), as well as the number initiated but not completed (by type of measure).” A W.I.S.H. believes that the Commission should once again require this sort of reporting since we are unable to determine dollars leveraged or measures per residence in the current format. Indeed, “leveraging” in the IOUs’ current monthly low income reports refers to leveraging with CARE, not LIHEAP or DOE. Reporting should include leveraged LIHEAP, California DOE dollars, and other explicit information.

¹⁶ Oak Ridge National Laboratory issued a study of the Department of Energy’s weatherization program in January 2003. That study concluded that for every dollar of DOE investment, there were non-energy benefits worth \$1.88 including reduced water consumption, national security as energy usage is lessened, local economy benefits, reduced costs for collection and shut-offs, and environmental benefits. Energy and non-energy benefits combined returned \$3.71 for every dollar invested. http://www.eere.energy.gov/weatherization/ne_benefits.html.

IV. RENTER ACCESS TO LIEE IS A POLICY DECISION WITHIN THE COMMISSION'S PURVIEW

SEMPRA states at page 6 of its Joint Comments on NGAT that “[o]ut of an approximate 9,915 renters served by the LIEE program during 2006, SDG&E tagged and disconnected 154 furnaces and 2 water heaters. SoCal Gas tagged and disconnected 127 furnaces and 62 water heaters out of 18,067 renters served by the program.” A W.I.S.H. submits that if the number is that small, the utilities can and should serve renters in furtherance of health, safety, comfort, energy efficiency, and greenhouse gas reduction. They may be able to leverage their LIEE dollars with LIHEAP providers to fully weatherize some rental units, assuming that leveraging is not interpreted to mean that the IOUs “red-tag” a furnace or water heater and tell the customer to call a LIHEAP provider, as some apparently do at present.

PG&E at page 12 of its Response to the ALJ Ruling aptly notes that the NGAT protocol for renters is policy decision for the Commission. We respectfully suggest that overall societal benefits, including equity, health, safety, comfort and reduction of greenhouse gases dictate a change in policy from current procedures. Since two thirds of low income customers are renters according to KEMA, there is vast missed potential unless their homes are fully weatherized including water heaters and furnaces. It should be remembered that 40% of energy usage typically is related to water heating.

In D.01-05-033, Ordering Paragraphs 4 & 5, the Commission ordered the IOUs to offer new LIEE measures, on a pilot basis, including air conditioners with high efficiency, duct sealing and repair, whole house fans, efficient water heaters, set-back thermostats, and evaporative coolers. Rental units were eligible for “**all LIEE equipment measures,**” subject to certain co-pay requirements where the landlord owned the air conditioner or refrigerator and

¹⁷ Opening Comments of RHA at pp. 3, 13. “...where the CBO does the marketing outreach and other contractors complete the weatherization work. Please note: such models will require the individual utility LIEE programs and

paid the utility bill.¹⁸ AB 32 and KEMA findings regarding energy burden, energy efficiency, energy insecurity, and health and comfort concerns compel a similar response.

V. THE NEEDS ASSESSMENT FAILS TO RECOGNIZE THE POTENTIAL OF NEW TECHNOLOGIES AND FEW PARTIES RELATED THE LIEE TO THE SOLAR INITIATIVE

A W.I.S.H. agrees with the Division of Ratepayer Advocates (“DRA”) that coordination with municipal utilities, government agencies, the CSI, and others is essential, as KEMA suggests. We highlight, however, KEMA’s and DRA’s failure to note the importance of leveraging LIHEAP, DOE and other dollars to achieve optimal results.¹⁹ As ACCES suggested previously, there should be an inventory of all relevant state, federal and local programs.

The Commission, we submit, should earmark dollars for leveraging, either as a percentage of the overall LIEE budget, or by formula related to LIHEAP/DOE dollars. For example, if California receives \$40 million from LIHEAP and DOE and 90 percent of homes use electricity or gas for heating/and or cooling, \$36 million dollars times the percentage of LIEE-eligible customers in IOU service territories (versus public or municipal) would yield a leveraging target for those specific LIHEAP/DOE funds.. Hypothetically, if that number were 85%, it would yield a leveraging target of \$ 30.6 million. If there were 120 million dollars of LIEE funds available, the ratio of leveraging of LIEE to DOE/LIHEAP would be 25%. This means that LIEE dollars could be made more efficient by that percentage and would be a practical leveraging goal. Alternatively, the Commission could dedicate a percentage of LIEE funds for leveraging.

Finally, A W.I.S.H. is concerned that few parties focus on innovative measures going forward. We strongly oppose DRA’s suggestion of indexing measures by cost-effectiveness

their associated data systems to have the ability to allow such active partnering with CBOs...”

¹⁸ We support the current air conditioner/refrigerator policy for renters.

¹⁹ Comments of the Division of Ratepayer Advocates at pp. 13 – 14. *See* Opening Comments of ACCES on LIEE Program Goals and Objectives, Attachment 1, with a listing of LIHEAP measures and services.

since that approach will not further environmental and non-energy goals, but A W.I.S.H. supports DRA's concept of evaluating new technologies, which is permitted in Section 2790(c).²⁰ We further note that the 2005 Evaluation on LIEE and recommendations differ from KEMA's suggestions on going forward. For example, the 2005 LIEE Evaluation consultant stated orally that solar water heaters may be the most promising new measure; the limitation of both assessments was their sole focus on *current* measures. A W.I.S.H. supports a whole house approach, with all feasible measures and leveraging, to reach the State's greenhouse gas goals, energy savings, and non-energy benefits. For this reason, we disagree with SCE where it seems to question KEMA's sections on Optimal Program Delivery, Optimal Program Design and optimizing marketing efforts. All ratepayers benefit from optimal design and delivery.²¹

CONCLUSION

A W.I.S.H. urges an expansive application of the KEMA Report to address the significant untapped potential identified. This includes, and the statute requires, non-energy benefits along with cost effectiveness. Coordination with municipalities, water districts, the CSI, and others and leveraging federal/measures dollars through LIHEAP, are indispensable strategies. Adequate reporting of the same is also vital. Past Commission decisions on renter equity and categorical approaches to LIEE program outreach and enrollment provide good paradigms for AB 32's challenges. Finally, new technologies should be reviewed and the LIEE budget significantly increased.

²⁰ DRA Comments at p.14.

²¹ SCE Comments at pp. 3-5, 16. A W.I.S.H. is also concerned about any less than comprehensive approach that fails to maximize energy and other savings. We note (as of August) that PG&E had installed only 16 Central A/Cs and 48 room A/Cs even though many customers reside in the Central Valley and other hot climates. SDG&E listed no central A/Cs and only 115 room A/Cs, with 7 water heaters replaced.(July 2007).

Dated: October 26, 2007

Respectfully submitted,

Susan E. Brown

A W.I.S.H.
P.O. Box 428
Mill Valley, Ca. 94942
415 - 259-6316
Fax 415 – 381-8146
sebesq@comcast.net

CERTIFICATE OF SERVICE

I, the undersigned, hereby declare:

I am a citizen of the United States of America over the age of eighteen years. My business address is P.O. Box 428, Mill Valley, Ca. 94942

On October 26, 2007 I caused service by electronic mail and/or U.S. mail of the original attached:

REPLY COMMENTS ON LIEE KEMA NEEDS ASSESSMENT AND NGAT

BY A W.I.S.H.

be made on the parties on the service list for Rulemaking 07-01-042 and Application 07-05-010 as they were found on the CPUC'S website on October 26, 2007. I declare under penalty of perjury that the foregoing is true and correct.

Dated in Mill Valley, California, this 26th day of October 2007.

Susan E. Brown

A W.I.S.H.
P.O. Box 428
Mill Valley, Ca. 94942
(415) 259-6316
sebesq@comcast.net