

**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 January 25, 2007)

**REPLY COMMENTS OF THE UTILITY REFORM NETWORK
ON LIEE PROGRAM OBJECTIVES AND GOALS**

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I. INTRODUCTION

Pursuant to the March 28, 2007, *Scoping Ruling for the Commission's Rulemaking on the Low Income Energy Efficiency Programs of California's Energy Utilities (Scoping Ruling)*, The Utility Reform Network (TURN) respectfully submits these reply comments on broad program objectives and goals of the Low Income Energy Efficiency program (LIEE).

II. REPLY TO PARTIES' COMMENTS

A. LIEE Broad Program Objectives

TURN was pleasantly surprised to find near consensus among parties that LIEE should *not* become an energy resource program similar to the Commission's Energy Efficiency program. While a number of parties recommend that LIEE strive to reduce the energy burden faced by low income households, or similarly, to increase the affordability of energy services, most of these parties also stress that LIEE should also continue to serve the health, safety and comfort needs of low income customers as core program objectives. (*See i.e.* ACCES, pp. 1-2; A W.I.S.H., pp. 9, 11-12; DRA, pp. 3-4; DisabRA, p. 10; LIF, pp. 2; PG&E, pp. 3-4; SCE, pp. 3-5; TURN, pp. 3-4). In contrast, the comments of SDG&E / SoCalGas stand out for their emphasis on energy resource acquisition and cost-effectiveness, seemingly above all else. (SDG&E / SoCalGas, pp. 3-4, 7).

As stated in TURN's opening comments, TURN concurs with the majority of commenting parties that LIEE should not become a resource acquisition program similar

to EE. (TURN, pp. 3-4). Rather, LIEE should be designed to pursue demand side resource acquisition *only* to the extent consistent with serving the needs of low income households. LIEE should primarily serve the objective of increasing the affordability of energy services through efficiency and conservation, while also increasing the health, safety and comfort of low income households. For this reason, TURN urges the Commission to reject the recommendation of SDG&E / SoCalGas that LIEE focus on energy resource acquisition and that cost-effectiveness be used to determine how LIEE activities are measured and evaluated.

B. Coordinating LIEE with Other Programs Designed to Increase the Affordability and Sustainability of Home Energy Consumption for Low Income Households

Some parties recommend that LIEE be designed to leverage other funding sources and collaborate with other Commission, state and federal programs that promote environmentally sustainable energy services and/or increase affordability of home energy consumption. (*See i.e.* ACCES, p. 2 (water conservation, solar measures), A W.I.S.H., pp. 9-12 (sustainability through a holistic approach to LIEE, leveraging all possible funds); DRA, p. 2 (codes and standards; collaborating with manufacturers and retailers); Greenlining, pp. 2, 7 (new, advanced and clean technologies)). TURN appreciates the creativity and vision of these parties.

As TURN noted in our opening comments, TURN agrees that LIEE should be coordinated with other programs and strategies, and should leverage available funding and infrastructure, to increase the feasibility of the proposed broad goal statement. (TURN, p. 6). Similarly, TURN agrees that LIEE should be part of a broader strategy in California to increase the affordability of home energy necessary for comfort, health and

safety, as well as the environmental and economic sustainability of home energy consumption for low income Californians.

C. LIEE Budgets and Ratepayer Impacts

Many parties recognize that meeting the proposed broad goal statement will require an increase in the LIEE budget, but also point out that ratepayer impacts should be considered. (*See i.e.* DRA, pp. 1, 7; PG&E, pp. 3, 9, 10; SCE, p. 13; SDG&E/SoCalGas, p. 10). PG&E, for example, asks the Commission to be sensitive to potential rate impacts on residential customers whose incomes are just above the CARE and LIEE cutoff. (PG&E, p. 3). DRA asserts the need to assess the reasonableness of significant budget increases, but also advocates greater Commission oversight and cost accountability for a greatly expanded LIEE. (DRA, pp. 7-8).

TURN fully supports an increase in funding for LIEE; an expansion of LIEE is long overdue. TURN also agrees with DRA that the questions the Commission must address in working toward the broad goal include the appropriate cost of LIEE in terms of ratepayer impacts, as well as how to increase cost accountability. Of course, an evaluation of ratepayer impacts associated with expanded LIEE budgets should take into account the range of benefits that may flow to the body of ratepayers from LIEE, such as from CARE cost reduction, arrearage reduction, uncollectibles reduction, as well as energy and demand-related benefits. In other words, gross and net ratepayer impacts are germane to an assessment of the appropriate budget levels for LIEE.

III. CONCLUSION

For the foregoing reasons and those contained in TURN's opening comments, TURN respectfully recommends that the Commission maintain the focus of LIEE on the

energy needs of low income households, as proposed by the majority of parties filing comments on April 27, 2007, in this proceeding. The Commission should consider program coordination and leveraging, as well as ratepayer impacts and cost accountability, as part of its assessment of how best to work towards the broad goal for LIEE.

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Respectfully submitted,

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