

**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
(Filed January 25, 2007)

**REPLY COMMENTS ON LIEE PROGRAM OBJECTIVES AND GOALS
BY A WORLD INSTITUTE FOR A
SUSTAINABLE HUMANITY**

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REPLY COMMENTS BY A WORLD INSTITUTE FOR A SUSTAINABLE HUMANITY ON LIEE PROGRAM OBJECTIVES AND GOALS ADDRESSED IN MARCH WORKSHOP

INTRODUCTION

A World Institute for a Sustainable Humanity (“A W.I.S.H.”) files Reply Comments on LIEE program objectives and goals in this proceeding. Overall, A W.I.S.H. observes that a number of parties appear ready to embrace a vision of low income energy efficiency (“LIEE”) that encompasses sustainability, reduction in greenhouse gases, and new technologies in concert with the more traditional LIEE goals of affordability, reduction of energy burden, and health, safety and comfort. We applaud that broader vision since those former goals can, and will, extend benefits to all ratepayers in terms of reduced energy consumption and cleaner environmental outcomes. As some parties note, the definition of “energy efficient” is crucial; A W.I.S.H. continues to believe that “weatherization” that consists of several compact florescent bulbs (“cfls”) and an aerator or weather-stripping misses the mark in terms of the energy savings and environmental benefits that could and should be delivered, particularly where the unit or house will not be revisited for ten years¹. It further misses the mark in terms of what could be achieved regarding greenhouse gas reductions and meeting attendant State goals.

Few parties recognized the enormous synergies that can be created by leveraging other program dollars with the LIEE funds, thereby achieving maximum “bang for the buck” and lowering the expenditure needed from ratepayer dollars alone to fully

¹ We are especially concerned about a new cfl campaign by Southern California Edison in which, on information and belief, cfl bulbs will be left for homeowners to install. This approach during rapid deployment did not work; cfls in boxes or closets are useless. A W.I.S.H. hopes that our information about the cfl initiative is misguided.

weatherize low-income homes in California. There should also be greater recognition of linkages with other programs and dollars, such as the Solar Initiative, federal and state programs, non-low income energy efficiency dollars, water, and new technology sources.

As A W.I.S.H. stated in Opening Comments, we strongly support cost-benefit analyses that takes into account overall societal goals, along with traditional energy resource analyses. Many parties also acknowledged the need to modify any cost-benefit analysis to include health, comfort and safety, along with environmental benefits.

Few parties besides A.W.I.S.H. recognized the overarching statutory scheme for low income programs that encourages leveraging, working with state and local agencies and community based organizations, encouraging job skill development,² and including other building conservation measures.³ Section 327(a)(5) specifies that the utilities *shall* work to reduce consumers gas and electric consumption and *bills*. At the end of the day, it is the total bill and whether it is affordable that counts for low income, as the statutes recognize. This important legal framework should not be forgotten, especially in terms of using new “green” technologies within the LIEE program to promote job skills development in low income communities and more effectively deliver programs through the network of community service providers, as contemplated in the Public Utilities Code. Of course, this network is critical to leveraging resources, thereby delivering programs in the most cost-effective way, as A W.I.S.H. discussed in Opening Comments.

² California Public Utilities Code Section 327(a); ACCES has duly noted statutory mandates.

³ California Public Utilities Code Section 2790(c).

I. A W. I. S. H. BELIEVES MANY PARTIES AGREE THAT PROGRAM OBJECTIVES FOR LIEE SHOULD BE EXPANDED BUT SEES POTENTIALLY MISSED OPPORTUNITIES IN TERMS OF NEW TECHNOLOGIES

A W.I.S.H. agrees with many parties that the traditional goals of affordability, reducing the energy burden of low income customers, equity for low income ratepayers, and safety and comfort are all critical objectives for the LIEE program. System reliability and cost-effectiveness are important goals, as others acknowledge, but are less direct benefits. Moreover, there is general agreement the tests used for low income customers may necessarily have to vary from those employed with other energy efficiency programs since health, safety and comfort, as well as affordability are key concerns⁴ A W.I.S.H. strongly agrees with those who advocate for the inclusion of environmental quality and reduction of greenhouse gases as a key objective,⁵ and it believes that the Commission has a unique opportunity to revamp and modernize traditional weatherization programs with inclusion of these considerations and measures, such as solar water heaters and other new technologies that would not only benefit low income customers, but all California ratepayers. Cleaner air, maximum energy efficiency, a reduction in usage at peak summer hours, and lessened demand on the grid are all possible with inclusion of “green” technologies in the weatherization mix.⁶

⁴ See, Comments of Pacific Gas & Electric at pp. 3 - 4; Comments of Southern California Edison at pp. 3 - 5; Comments of TURN at p. 3 -4.

⁵ See, Comments of Latino Issues Forum at pp. 3 – 4; Comments of the Greenlining Institute at pp. 1 – 2.

⁶ Southern California Edison aptly noted at p. 6 of its Comments that “any reduction in CARE subsidies for customers installing energy efficient equipment [be] properly integrated in cost-effectiveness analysis.” We agree that proper weatherization, with all feasible measures, will reduce CARE costs and should be a factor considered by the Commission.

In A W.I.S.H's view, the Commission and California ratepayers would be missing a unique and one-time opportunity to move the program beyond an ossified embrace of only the "Big Six" enumerated in Section 2790(b)(1) of the Public Utilities Code, thereby achieving maximum effectiveness in terms of energy savings, health and safety, and reduction of greenhouse gases. There should be much more recognition of the unprecedented opportunity that this program review offers, rather than calculations of future program costs based on current, and sometimes limited, traditional measures. As Southern California Edison pointed out, greater success in the LIEE program can translate into less of a demand on the California Alternate Rates for Energy ("CARE") program which requires consistent infusions of money to reduce low income ratepayers' bills.⁷

Based on recent workshops and meetings on the low income portion of the Solar Initiative, A W.I.S.H. and several other consumer groups fear that the Solar Initiative, as currently drafted, may fail to benefit directly low income customers for several reasons, including definitions of low income, cost of photovoltaic systems, the necessity of securing a loan, and time of use issues. In fact, there are fears that the well-intended program may harm low income. However, if the LIEE program is coordinated and linked to the Solar Initiative, there may be significant ways to deliver innovative measures, including solar water heaters, to low income customers, through leveraging LIEE and other monies. California's "go it alone" LIEE approach has failed to maximize on measures or program dollars or optimal outcomes, with expenditures averaging \$1000 to \$1500 according to parties' filings and the Solar Initiative information. The State can do better.

⁷ Ibid.

II. FEW PARTIES APPRECIATE THE IMPORTANCE OF LEVERAGED DOLLARS AND RESOURCES

It is indisputable that more can be accomplished with the same ratepayer dollars for the LIEE if those funds are coordinated and leveraged with other sources. A W.I.S.H. fully supports ACCES' suggestion that the Commission first make an inventory of possible agencies and sources of weatherization dollars so that it may begin to leverage program dollars, as we described in Opening Comments.⁸ ACCES notes the panoply of measures that may be delivered under LIHEAP; by leveraging the utilities could expend their dollars on certain measure, and other monies could subsidize other measures, such as refrigerators, new hot water heaters including solar, attic insulation, coolers, efficient furnaces, etc.. This approach is contemplated, *and required*, in statute. It is the only way to maximize program efficacy and delivery. For example, as A W.I.S.H. just explained, there may be no benefits to low income customers under the Solar Initiative without leveraging other program dollars. Some leveraging did occur under past low income efforts, and it should be strongly endorsed and continued.

Leveraging should be broadly defined. It should include other dollars, programs such as LIHEAP and state/local, private industry as Greenlining and A W.I.S.H. advocate, non-low income energy efficiency, and new technologies. Through leveraging you can increase the number of measures delivered, achieve greater energy efficiency and bill reduction, increase environmental benefits, and expend less on LIEE, per se. This is not to suggest that the current LIEE budget should not be expanded, as many parties advance. However, the Commission can best achieve its overall objectives by leveraging all feasible measures, taking into account climatic differences and new technologies. The

⁸ See, Opening Comments of the Association of California Community and Energy Services, at p. 3: "As a first step parties should identify all relevant state, federal and local programs."

utilities' cost estimates based on unleveraged, current measures should be rejected in favor of broader leveraged measures, including "green" technologies which are maximized in the way that ACCES and A W.I.S.H. advocate. There are models from other states that could inform the Commission as well, and A W.I.S.H. would be pleased to work with the Commission and others to examine those models and optimal paradigms for California.

III. MANY PARTIES MISS THE FOREST THROUGH THE TREES WITH RESPECT TO THE SOCIETAL BENEFITS THAT CAN BE GAINED

San Diego Gas & Electric and Southern California Gas in Joint Comments state that energy and cost savings for low income customers are the most important objectives. Those are *two* important objectives of a much larger focus to lower low income ratepayer *bills*. It costs money up-front through weatherization investment to save everyone money in the long term. There needs to be a broader societal cost test perspective to achieve the greenhouse gas emission reduction mandates and strategies, as well as optimal benefits to low income ratepayers. The highest targeted energy savings first, as SDG&E and So Cal Gas advocate, will actually take us backwards from where we are by a piecemeal approach. It is not *efficient* and does not further the State goal of reduced greenhouse gases and overall energy efficiency, nor the Commission's goal of weatherized homes for low income by 2015. While we appreciate the underlying sentiments of serving the lowest of the low income first, it has the unintended consequence of pitting various groups of low income against each other. It further regressively diverts attention from the overall goal of weatherizing all eligible homes with every feasible measure, thereby reaching optimal State and societal energy and environmental goals. We reiterate that

intelligent leveraging of other funds and entities will enable low income weatherization with all feasible measures at a reasonable cost.

IV. EQUITY, OUTREACH, AND NEEDS ASSESSMENT ARE ALL FUNDAMENTAL

While A W.I.S.H. supports outreach and education, education is currently supposed to be done as part of weatherization. Our pending discovery requests to the utilities should elucidate outreach and education activities, as well as measures installed and costs. So long as the LIEE is underfunded in terms of customers who can be served, A W.I.S.H. is not sure of the efficacy of broad outreach, though there are successful models under rapid deployment strategies of the past. Mass education about energy savings has been conducted with Flex your Power in different languages and through different media and could be reinvigorated. Current CARE customers should be the basis for expanded LIEE program delivery, since utilities know where the customers are. Again, the network of community service providers should also be utilized since they serve low income clients everyday; leveraging dollars through those providers will enable more customers to be served.

With respect to equity, there should be a dual analysis. First, are there adequately funded programs that effectively address the needs of low income households? As we noted in Opening Comments, it is not uncommon for low income energy efficiency programs to be funded at a lower level than other energy efficiency programs because they do not get the same savings for dollar invested. It is only fair that there be well-funded programs to address energy affordability for low income households by making their energy use more efficient, thereby reaching important State environmental and greenhouse goals. Second, the overall benefit analysis for equity should include

leveraged funds as ACCES explains. It is important to realize that the utility investment in low income dwellings is frequently just one of several resources that needs to be brought to bear to make substandard housing habitable, bring it up to code, and make it a safe and healthy place to live. Washington and Oregon provide good models on leveraging, and there are others.

We repeat that it makes no sense for California to pursue ambitious solar and alternative fuel solutions overall while ignoring greenhouse gases and new environmentally sensitive technologies in the homes of California's poor. The Solar Initiative is a positive step forward, but the LIEE program itself should begin incorporating technological advances into its measures, as permitted by Public Utilities Code Section 2790(c). The long-pending needs assessment should form the predicate for revamping and redesigning California's LIEE program, and we look forward to working with the Commission in that process. It would be a huge waste, and regressive, to simply rubberstamp the existing LIEE program at higher dollar levels when there is a chance to greatly enhance program efficacy with new technologies and leveraged dollars.

V. ENERGY EFFICIENCY SHOULD BE DEFINED IN THE BROADEST TERMS

As A W.I.S.H. has asserted throughout, "energy efficiency" should not be defined solely in terms of energy savings, though the latter is a key component of energy efficiency. The definition should encompass health, safety, societal goals, reduction of greenhouse gases, comfort, maximizing program impacts and dollars through leveraging, achieving greater environmental justice, and reducing hardships for low income customers, including bill reduction. Many parties correctly noted that the definition of "energy efficiency" is a critical step in the review process; Southern California Edison's

proposed definition at page 8 of its Comments from D.05-04-051 may be acceptable if modified to include the idea that all feasible measures should be installed.

We cannot stress strongly enough that the Commission will not achieve its energy efficiency or environmental goals with an approach that deems cfl installation “weatherization;” the cost considerations that Southwest Gas, Pacific Gas & Electric (PG&E) and others cite can best be managed by maximizing dollars through intelligent leveraging. We also note the availability of FERA and other programs for near poor customers not eligible for CARE, but still with a high energy burden. Finally, A W.I.S.H. believes, as TURN noted at p 5 of Comments, that full weatherization will benefit everyone in terms of low income customers being able to pay their bills, reductions in arrearages, reductions in greenhouse gases and pollution, and greater safety and health, including avoided medical costs for conditions such as asthma and carbon monoxide poisoning. Installation of full measures in a home avoids multiple trips, duplication of services, start up costs associated with weatherization, overhead, and reduces carbon generated by transportation. Water efficiency retrofits, all possible natural gas and electric measures, and home repair through utility and other funding sources should be attendant Commission LIEE goals. In short, there will not be societal benefits absent an expansive definition of “energy efficiency.”

CONCLUSION

A W.I.S.H, again, submits that the opportunity to significantly broaden and improve energy efficiency delivery to low income households in California should be seized by the Commission. Cost-effective LIEE program delivery should be reconciled with societal tests that recognize new renewable technologies, reduction in greenhouse

gases, safety and comfort, enhanced measures, reduction in hardship, overall energy savings, environmental justice, and best practices from around the country. The involvement of the network of community service providers, community based organizations and others is also critical for leveraging dollars and program success, including outreach, education and job development, as the Public Utilities Code specifically envisions. Through the leveraging model ACCES and A W.I.S.H. advance, California can truly be a leader in LIEE, while expending ratepayer dollars judiciously through other significant infusions of money. We pledge our efforts to work with the Commission and others to achieve maximum program efficacy for the State and low income ratepayers. A W.I.S.H. agrees with PG&E at p. 4 of its Opening Comments that there is a high value on energy savings and reduced energy bills with the LIEE, as well as an equally high value on the non-energy benefits, including improving environmental quality and reducing greenhouse gases consistent with AB 32.⁹ We look forward to being part of the solution; old paradigms will not bring new outcomes.

Dated: May 8, 2007

Respectfully submitted,
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⁹ PG&E' Corporation's CEO has reiterated in the media his focus on being an environmental leader in the State. See, "The education of PG&E's Peter Darbee," San Francisco Chronicle business section, Wednesday, October 18, 2006.

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 May 8, 2007 I caused service by electronic mail and/or U.S. mail of the original attached:

COMMENTS ON LIEE PROGRAM OBJECTIVES AND GOALS

BY A W.I.S.H.

Be made on the parties on the service list for Rulemaking 07-01-042, as it was found on the CPUC'S website on May 8, 2007.

I declare under penalty of perjury that the foregoing is true and correct.

Dated in Mill Valley, California, this 8th day of May 2007.

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