

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 2009-2011.	Application 08-05-024 (Filed May 15, 2006)
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 Pacific Gas and Electric Company for Approval of the 2009-2011 Low Income Energy Efficiency and California Alternative Rates for Energy and Programs and Budget (U 39 M).	Application 08-05-022 (Filed May 15, 2008)
Application of Southern California Edison Company (U 388-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)

**RESPONSE OF THE DIVISION OF RATEPAYER ADVOCATES  
TO THE ADMINISTRATIVE LAW JUDGE'S  
REQUEST FOR WORKSHOP PROPOSALS**

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The Division of Ratepayer Advocates (“DRA”) hereby submits its response to the Administrative Law Judge’s (“ALJ”) request to clarify the issues and agenda to be considered during Workshops to be held for the above-captioned proceeding. On June 26, 2008, the ALJ, via email, authorized DRA to submit this filing to the above-captioned dockets.

DRA requests that the California Public Utilities Commission (“Commission”) schedule workshops in connection the Investor Owned Utilities’ (“IOUs”) 2009-2011

Low-Income Energy Assistance Applications.<sup>1</sup> Also, DRA supports the Sempra Utilities' request to have a court reporter transcribe the workshops. DRA submits that the workshops address the following topics and allow ample time for questions, answers, and discussion.

**1. Eligible population estimates for the CARE and LIEE programs**

The workshops should examine the IOUs' methodology to estimate the number of remaining low-income households to receive California Alternate Rates for Energy ("CARE") and Low-Income Energy Efficiency ("LIEE") assistance. The IOUs should provide their expert witnesses at the workshops to answer questions DRA raised about that methodology in its Protest dated June 19. As discussed in DRA's Protest, under-estimating the number of households to receive CARE and LIEE assistance in program years 2009-2011 may result in many of California's low-income ratepayers not receiving the benefits of CARE and LIEE.<sup>2</sup> Such an under-estimation may also result in the Commission and IOUs failing to achieve progress on important policy goals such as Greenhouse Gas Reduction goals among low-income households. Given the instant proceeding's aggressive schedule, a workshop on this topic would save the parties valuable time by reducing the need for an iterative data request process.

**Proposed Agenda:**

- IOUs present the methodology they used to estimate eligible customers remaining to be treated. (15 minutes)
- Discussion of the presentation organized by key factors of the methodology, including: (1 hour)
  - total estimate of eligible customers, especially as that estimate compares to estimates provided by KEMA in its Needs Assessment and by IOUs in previous program years;
  - subtractions from the total eligible population based on participant willingness;

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<sup>1</sup> By filing this pleading DRA does not waive its right to seek evidentiary hearings in these consolidated proceedings in the event that material facts remain unresolved during the workshops.

<sup>2</sup> DRA Protest pp. 12-15.

- subtractions from the total eligible population based on participant’s previous or anticipated LIEE participation; and
- subtractions from the total eligible population based on participant’s previous or anticipated Low Income Home Energy Assistance Program (“LIHEAP”) participation.
- Discussion of the advantages and disadvantages of anticipating changes to the eligible population through PY2011. (15 minutes)
- Discussion of how information identified to-date, including party protest, discovery, and workshop discussion, should inform the Commission’s decision on what is the appropriate eligible population remaining to be treated. (15 minutes)

Total time required for the item 1 topic: 2 hours

**2. Participant benefit estimates by customer segment (2 hours)**

The workshops should examine the IOUs’ estimated impact on participant savings by customer segment. As the Commission moves away from the “one size fits all” LIEE model, the Commission must understand which customer groups may or may not be better off. The Commission should direct the IOUs to apply the data characterizing California’s low-income population from the KEMA Needs Assessment and the Impact Evaluation of the 2005 Program to the following customer segments in their service territory: climate zone, population density, income-level, ethnic/identity, high energy burden, high energy insecurity, dwelling-type segment, and fuel source.

The IOUs should estimate how their proposal will impact bill savings for each customer segment. Additionally, the IOUs should identify in narrative format how their program will impact the “non-energy benefits” that would accrue to each customer segment. The estimates should show evidence of considering the potential for each segment as well as the acceptance and retention expectations for each segment. Finally, the IOUs should include alternative scenarios that were considered for each customer segment, demonstrating how their program design choice is a positive one for the customer group.

The IOUs should bring informed personnel to the workshop to explain how the IOUs intend to maximize the benefits to participants and ratepayers alike, through segmentation.

**Proposed Agenda:**

- Presentation of estimated participant bill savings and additional, non-energy benefit savings, by customer segment. (30 minutes)
- Discussion of assumptions regarding this customer segment (30 minutes)
- Explanation of how program design choices meet the needs of this customer segment. (30 minutes)
- Discussion of how information identified to-date, including party protest, discovery, and workshop discussion, should inform the Commission's decision on what is the appropriate eligible population remaining to be treated. (15 minutes)

Total time required for the item 2 topic: 2 hours

**3. Explanations for increases in the cost per unit of energy saved and for decreases in average household savings realized**

DRA urges the Commission to hold a workshop dedicated to the significant issues raised by the ALJ's June 16, 2008 ruling and question #16 of the June 25, 2008 ruling. DRA believes that in many cases the proposed 09-11 programs will achieve fewer energy savings at a higher cost to ratepayers. Tables 2 through 6 of the June 16 ruling begins to illustrate this point. In its protest, DRA takes the analysis presented in the June 16 ruling one step further to include the actual cost and impact of PY07.<sup>3</sup> That analysis, in many cases, confirms that the projected impact of the PY09-11 is dollar for dollar dramatically less than IOU performance in previous years.

DRA recommends that the total cost per unit of energy saved, cost per household treated, and energy savings per household should be further justified at the workshop. This data should be presented for each utility and each proposed customer segment.

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<sup>3</sup> *Id.* at 10-11

IOUs should be prepared to present the methodology they used to project each of these metrics.

DRA appreciates the Commission beginning the process of addressing this issue through the aforementioned rulings. The proposed workshop will take that process one step further. By allowing parties to build on the insights they gain through IOU responses to the ruling and to publicly demonstrate their concerns, this workshop will crack open the “black box” used by utilities to project the actual impact of these programs. DRA expects that insight gained through opening this black box will factually demonstrate that the utilities can achieve greater results at a lower cost.

**Proposed Agenda:**

- IOUs explain their responses to the July 16, 2008 ruling and question #16 of the June 25, 2008 ruling. (30 minutes)
- Parties ask follow-up questions to the IOU explanation. (30 minutes)
- Discussion of how information identified to-date, including party protest, discovery, and workshop discussion, should inform the Commission’s decision. (15 minutes)

Total time required for item 3 topic: 1 hour and 30 minutes

**4. Program evaluations to be launched simultaneous with the Program Year 2009 cycle, triggering events and financial audits.**

The low-income programs suffer from a lack of evaluation, measurement and verification (“EM&V”), in stark contrast to Energy Efficiency and Water Embedded Energy pilots and programs. The proposed CARE and LIEE budget increases require accountability that can only be established via an impact evaluation *and* process evaluation for PY 2009. The results of such evaluations should guide program refinements through the 2009-2011 program cycle. The IOUs should bring informed personnel to the workshop to discuss how to launch targeted impact and process evaluations simultaneous with PY09 cycle, triggering events such as a failure to achieve milestones, and financial audits.

**Proposed Agenda:**

- Identification of appropriate timeframe for impact and process evaluation start. (30 minutes)
- Strategies to run evaluations concurrently with on-the-ground program implementation. (30 minutes)
- Strategies to iteratively feed evaluation results into refining program design. (30 minutes)
- Primary questions which evaluations should answer. (30 minutes)
- Discussion of how information identified to-date, including party protest, discovery, and workshop discussion, should inform the Commission's decision. (15 minutes)

Total time required for item 4 topic: 2 hours and 15 minutes

Respectfully submitted,

/s/ RASHID A. RASHID

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June 27, 2008

**CERTIFICATE OF SERVICE**

I hereby certify that I have this day served a copy of “**THE RESPONSE OF THE DIVISION OF RATEPAYER ADVOCATES TO THE ADMINISTRATIVE LAW JUDGE’S REQUEST FOR WORKSHOP PROPOSALS**” in **R.07-01-042, et al**” by using the following service:

E-Mail Service: sending the entire document as an attachment to all known parties of record that provided electronic mail addresses.

U.S. Mail Service: mailing by first-class mail with postage prepaid to all known parties of record who did not provide electronic mail addresses.

Executed on **June 27, 2008** at San Francisco, California.

/s/      REBECCA ROJO

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Rebecca Rojo

**N O T I C E**

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address and/or e-mail address to insure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.

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