

**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.)
_____)

R. 07-01-042
(Filed January 25, 2007)

**COMMENTS OF SOUTHERN CALIFORNIA EDISON COMPANY (U 338-E) ON THE
ORDER INSTITUTING RULEMAKING REGARDING POLICIES, PROCEDURES
AND RULES FOR THE LOW-INCOME ENERGY EFFICIENCY PROGRAMS OF
CALIFORNIA'S ENERGY UTILITIES**

MICHAEL D. MONTOYA
STACIE SCHAFFER

Attorneys for
SOUTHERN CALIFORNIA EDISON COMPANY

2244 Walnut Grove Avenue
Post Office Box 800
Rosemead, California 91770
Telephone: (626) 302-3712
Facsimile: (626) 302-7740
E-mail: stacie.schaffer@sce.com

Dated: **February 26, 2007**

**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.)
_____)

R. 07-01-042
(Filed January 25, 2007)

**COMMENTS OF SOUTHERN CALIFORNIA EDISON COMPANY (U 338-E) ON THE
ORDER INSTITUTING RULEMAKING REGARDING POLICIES, PROCEDURES
AND RULES FOR THE LOW-INCOME ENERGY EFFICIENCY PROGRAMS OF
CALIFORNIA’S ENERGY UTILITIES**

I.

INTRODUCTION

Pursuant to the direction set forth in the *Order Instituting Rulemaking Regarding Policies, Procedures and Rules for the Low-Income Energy Efficiency Programs of California’s Energy Utilities*, Rulemaking (R.) 07-01-042 (“OIR” or “Rulemaking”), Southern California Edison Company (SCE) provides these initial comments on the OIR.

The OIR directs the parties to file initial comments 25 days after the OIR mailing date addressing (1) which policy issues should be addressed first in the proceeding and which may be deferred, and (2) how the utilities plan to implement Assembly Bill (AB) 2104.¹ Administrative

¹ R.07-01-042, p. 6 (“We direct the utilities and invite other parties to file responses to these questions. In their responses, the parties should comment on which of these several sets of issues should be addressed early in the proceeding and which may be deferred. The utilities shall state with specificity how they plan to implement AB 2104.”)

Law Judge (ALJ) Kim Malcolm issued a clarifying email on February 8, 2007, explaining that the utilities “should not attempt to respond to the many policy questions raised in the OIR” in their initial comments, but should instead address how the California Public Utilities Commission’s (Commission) “inquiry should be structured”; e.g., procedural matters and which issues are high-priority. In compliance with these directions, SCE’s comments propose that the Commission first focus on program objectives and priorities and goal-based budget planning, and that the issues can be effectively addressed through comments and workshops.² It is unclear whether the Commission still requires the utilities to discuss their implementation plans for AB 2104 in these comments, and therefore, out of an abundance of caution, SCE will briefly address this issue as well.

II.

BACKGROUND

Utility LIEE programs were developed in the early-1980s in response to growing concerns about the lack of equitable participation by low-income customers in utility conservation programs. While rebate incentives were available to customers purchasing and installing energy efficient measures, these same incentives were not accessible to low-income customers who could not afford the initial investment. To address this equity issue, the Investor-Owned Utilities (IOUs) were directed to establish free weatherization programs for low-income customers.

SCE has been at the forefront of this low-income energy efficiency effort. As an electric utility, SCE does not have the demand for weatherization services that natural gas utilities experience. However, SCE entered the low-income energy efficiency arena as a leader in installations of compact fluorescent lights (CFLs) in low-income homes. Over the years, SCE has combined this with the installation of a comprehensive mix of measures including

² SCE’s initial comments will not attempt to address the substance of the numerous policy issues raised in the OIR.

refrigerators and cooling measures for customers in extreme climate areas with high summer cooling bills.

Working with community-based organizations (CBOs), SCE has been able to reach into communities that marketing and advertising campaigns have not been successful in reaching. Over the years, CBOs have gained experience in operating low income energy efficiency programs with other IOUs, smaller utilities (e.g., Southwest Gas) and the State of California. Using a mix of specialized private contractors and CBOs, SCE has found a delivery service mechanism that builds upon and leverages the resources of CBOs to provide not only energy efficient measures in a cost-effective manner, but also much needed social services to SCE's low-income customers.

As the Commission moves forward in this Rulemaking, SCE encourages the Commission to evaluate what has worked in the past while shaping the program's future, so that low-income customers may continue to be offered a comprehensive mix of measures that will both help them save money on their electric bills and provide safety and comfort. That said, SCE is encouraged by the Commission's desire to evaluate other opportunities for program development, such as exploring LIEE's role in the promotion of a more reliable and environmentally sound energy system. As this Rulemaking will shape the LIEE program for years to come, it is imperative that careful and full consideration be given to these and related issues. SCE looks forward to working with the Commission and other stakeholders to evaluate the many questions raised by the OIR and achieving the goals set forth for the LIEE program.

III.

COMMENTS

A. High-Priority Issues

The OIR lists several broad categories (each of which include several sub-categories) that the Commission intends to address in this Rulemaking: (1) program objectives and priorities; (2) goals-based budgeting; (3) cost-benefit models; (4) processes for program improvements; (5)

coordination with the California Solar Initiatives program; (6) evaluation, measurement and verification of program results; (7) integrating LIEE programs with other energy efficiency programs; (8) program access for master-meter customers (AB 2104); (9) program access for renters; (10) gas furnace programs; (11) water conservation efforts; and (12) program management and administration. Of these categories, SCE believes that the most important issues to be addressed early in the proceeding are (1) program objectives and priorities and (2) goal-based budget planning.³

SCE believes that the natural starting point in the Commission’s inquiry is evaluating and establishing program objectives and priorities. This will shape the remainder of the Commission’s inquiry in this Rulemaking and will drive the direction of the LIEE program for years to come. Some of the points to consider, as discussed in the OIR, include the relative importance of equitable access, cost-effectiveness, the LIEE program as an energy resource, and safety and comfort of low-income residents, and if and how these program objectives can be effectively balanced.

Also a high priority in this Rulemaking is goal-based budget planning. While aspects of program objectives and priorities will necessarily overlap with goal-based budget planning, it seems prudent to develop program objectives before determining the appropriate LIEE planning goals and a reasonable timeline for achieving such goals. Program goals could change drastically if the program priorities are altered. While establishing sound goals for the LIEE program is complex, clarity on key questions may make this task more straightforward. For instance, how will penetration rates be established? How will non-energy benefits be quantified? How should eligible participants be defined? Policy direction in these areas will guide the

³ The Commission has also characterized these issues as high-priority: (“We will also address early in the proceeding issues relating to program objectives and goals-based program budgeting because our decision on these issues may guide our review of other issues and the way the utilities manage existing programs.”) R.07-01-042, p. 7.

planning process, which is essential for developing the 2009-2011 low-income assistance programs applications that are due by April 30, 2008.⁴

B. SCE's Implementation of AB 2104

SCE appreciates the urgency of implementing AB 2104 given the upcoming deadline, and agrees that this should also be a high-priority issue.⁵ The following information outlines SCE's current practices and steps it plans to take to implement AB 2104:

- **Direct Acceptance of CARE Applications**

SCE currently accepts applications directly from submetered tenants of master-metered customers. The current CARE application requires tenants to provide both their mailing address and the mailing address of their landlord, and both of these addresses are captured in SCE's system in order to facilitate direct communication with master-metered customers and their tenants.

- **Direct Communication with Tenants for Renewal**

Recertification for tenants differs from the recertification process for individually-metered customers: existing tenants on the CARE program must complete and remit a new application annually to be recertified and individually-metered customers recertify every two years.⁶ Recertification notices are sent annually to master-meter accounts for distribution to their tenants. In order to comply with the requirement of AB 2104 that electrical corporations directly

⁴ D.06-12-038, Ordering Paragraph 23 ("...Those applications shall propose specific program participation goals in specific population sectors or segments and shall develop budgets designed to meet those goals.")

⁵ AB 2104 requires that "[t]he ... Commission shall, by December 31, 2007, improve the California Alternate Rates for Energy or CARE program application process for tenants of a mobile home park, apartment building, or similar residential complex, receiving electric or gas service from a master-meter customer through a submetered system pursuant to [Public Utilities Code] Section 739.5, by doing both of the following:" (1) developing processes whereby electrical and gas corporations can directly accept CARE applications from tenants and (2) developing processes whereby electrical and gas corporations can directly notify and provide renewal applications to tenants who are existing CARE customers. Further, under AB 2104, the Commission shall develop a process requiring electrical and gas corporations to provide their master-meter customers with a list of the master-meter customer's tenants on the CARE rate, specifically identifying those customers who have been added or deleted from the CARE rate since the previous billing cycle.

⁶ With the exception of fixed-income customers who now have an extended recertification period, as approved by D.06-12-038.

notify and provide renewal applications to tenants, SCE plans to run a query to generate a list of tenant names and addresses for mailing purposes, and as part of the annual solicitation, mail recertification applications directly to the tenants of master-meter customers who are currently on the CARE rate.

- **Tenant Lists**

Currently, master-metered accounts are mailed a list of all tenants on the CARE rate only when a new enrollment or recertification occurs. The list labels each tenant as “ADDED” (indicating that the customer is enrolled in CARE) or “RENEWED” (indicating recertification). The effective date of enrollment or renewal is provided for each tenant. The current tenant list does not name the unenrolled customers. In order to comply with AB 2104, SCE plans on running a query each billing cycle to generate a list of tenants removed from the CARE rate. This information will be folded into the current notification process to generate a second “Unenrolled Tenant List”. The list of currently enrolled tenants and the list of unenrolled tenants will be provided to the master-meter customer in one communication each billing cycle (on a monthly basis).

C. Procedural Matters

SCE believes that the best way to approach the numerous program and policy issues raised by the OIR is through comments and workshops. Workshops provide an informal environment that encourages idea-sharing, creative thinking and consensus building. SCE believes that this approach is vital to a successful LIEE program. In order for SCE’s customers and LIEE contractors to more easily participate in such workshops, SCE requests that at least one of the workshops take place in SCE’s service territory. SCE does not believe that formal hearings are necessary, nor are they an ideal forum to address and resolve the numerous LIEE program and policy issues raised by the OIR. Finally, SCE believes that interested parties, including contractors and CBOs that serve SCE’s low-income customers, will actively participate in workshops, and therefore public participation hearings are not necessary.

However, to the extent that the Commission deems public participation hearings necessary, SCE has no objection. SCE would only request that at least one of the public participation hearings take place in SCE's service territory.

IV.

CONCLUSION

SCE appreciates the opportunity to provide these comments and looks forward to working with the Commission and other stakeholders to improve the LIEE program.

Respectfully submitted,

MICHAEL D. MONTOYA
STACIE SCHAFFER

/s/ STACIE SCHAFFER

By: Stacie Schaffer

Attorneys for
SOUTHERN CALIFORNIA EDISON COMPANY

2244 Walnut Grove Avenue
Post Office Box 800
Rosemead, California 91770
Telephone: (626) 302-3712
Facsimile: (626) 302-7740
E-mail: stacie.schaffer@sce.com

February 26, 2007

CERTIFICATE OF SERVICE

I hereby certify that, pursuant to the Commission's Rules of Practice and Procedure, I have this day served a true copy of COMMENTS OF SOUTHERN CALIFORNIA EDISON COMPANY (U 338-E) ON THE ORDER INSTITUTING RULEMAKING REGARDING POLICIES, PROCEDURES AND RULES FOR THE LOW-INCOME ENERGY EFFICIENCY PROGRAMS OF CALIFORNIA'S ENERGY UTILITIES on all parties identified on the attached service list(s). Service was effected by one or more means indicated below:

Transmitting the copies via e-mail to all parties who have provided an e-mail address.
First class mail will be used if electronic service cannot be effectuated.

Executed this **26th day of February, 2007**, at Rosemead, California.

/s/ RODGER TORRES

Rodger Torres
Project Analyst
SOUTHERN CALIFORNIA EDISON COMPANY

2244 Walnut Grove Avenue
Post Office Box 800
Rosemead, California 91770

R.07-01-042

Monday, February 26, 2007

CASE ADMINISTRATION
CASE ADMINISTRATION
SOUTHERN CALIFORNIA EDISON COMPANY
2244 WALNUT GROVE AVENUE, ROOM 370
ROSEMEAD, CA 91770
R.07-01-042

FRANCISCO V AGUILAR
ATTORNEY AT LAW
SOUTHWEST GAS CORPORATION
5241 SPRING MOUNTAIN ROAD
LAS VEGAS , NV 89193
R.07-01-042

GREG BASS
SEMPRA ENERGY SOLUTIONS
101 ASH STREET. HQ09
SAN DIEGO, CA 92101-3017
R.07-01-042

BRIAN K. CHERRY
DIRECTOR REGULATORY RELATIONS
PACIFIC GAS AND ELECTRIC COMPANY
PO BOX 770000 MC B10C
SAN FRANCISCO, CA 94177-0001
R.07-01-042

REGINA COSTA
THE UTILITY REFORM NETWORK
711 VAN NESS AVENUE, SUITE 350
SAN FRANCISCO, CA 94102
R.07-01-042

CAROLYN COX
GENERAL MANAGER
5213 RESEANA COURT
FAIR OAKS, CA 95628
R.07-01-042

DAVID J. COYLE
ANZA ELECTRIC COOPERATIVE, INC
58470 HIGHWAY 371
ANZA, CA 92539-1909
R.07-01-042

RAYMOND J. CZAHAR
CHIEF FINANCIAL OFFICER
WEST COAST GAS CO., INC.
9203 BEATTY DR.
SACRAMENTO, CA 95826-9702
R.07-01-042

PAUL DELANEY
AMERICAN UTILITY NETWORK (A.U.N.)
10705 DEER CANYON DRIVE
ALTA LOMA, CA 91737
R.07-01-042

JOHN DUTCHER
VICE PRESIDENT - REGULATORY AFFAIRS
MOUNTAIN UTILITIES
3210 CORTE VALENCIA
FAIRFIELD, CA 94534-7875
R.07-01-042

JOHN FASANA
SOUTHERN CALIFORNIA EDISON COMPANY
2244 WALNUT GROVE AVENUE
ROSEMEAD, CA 91770
R.07-01-042

LAW DEPARTMENT FILE ROOM
PACIFIC GAS AND ELECTRIC COMPANY
PO BOX 7442
SAN FRANCISCO, CA 94120-7442
R.07-01-042

CENTRAL FILES
CENTRAL FILES
SAN DIEGO GAS & ELECTRIC COMPANY
8330 CENTURY PARK COURT
SAN DIEGO, CA 92123-1530
R.07-01-042

Hazlyn Fortune
CALIF PUBLIC UTILITIES COMMISSION
505 VAN NESS AVENUE
ROOM 4102
SAN FRANCISCO, CA 94102-3214
R.07-01-042

ENRIQUE GALLARDO
SENIOR PROGRAM MANAGER
LATINO ISSUES FORUM
160 PINE STREET, SUITE 700
SAN FRANCISCO, CA 94111
R.07-01-042

THALIA N.C. GONZALEZ
THE GREENLINING INSTITUTE
1918 UNIVERSITY AVENUE, 2ND FLR.
BERKELEY, CA 94704
R.07-01-042

HAYLEY GOODSON
ATTORNEY AT LAW
THE UTILITY REFORM NETWORK
711 VAN NESS AVENUE, SUITE 350
SAN FRANCISCO, CA 94102
R.07-01-042

ROB GUNNIN
VICE PRESIDENT SUPPLY
COMMERCE ENERGY, INC.
600 ANTON BLVD., SUITE 2000
COSTA MESA, CA 92626
R.07-01-042

R.07-01-042

Monday, February 26, 2007

TOM HAMILTON
CHEERS
9400 TOPANGA CANYON BLVD., SUITE 220
CHATSWORTH, CA 91311
R.07-01-042

JAMES HODGES
1069 45TH STREET
SACRAMENTO, CA 95819
R.07-01-042

DEBRA S. JACOBSON
SOUTHWEST GAS CORPORATION
5241 SPRING MOUNTAIN ROAD
LAS VEGAS, NV 89150-0002
R.07-01-042

AKBAR JAZAYEIRI
SOUTHERN CALIFORNIA EDISON COMPANY
2244 WALNUT GROVE AVE. ROOM 390
ROSEMEAD, CA 91770
R.07-01-042

JOHN JENSEN
PRESIDENT
MOUNTAIN UTILITIES
PO BOX. 205
PO BOX. 205
KIRKWOOD, CA 95646
R.07-01-042

MELISSA W. KASNITZ
ATTORNEY AT LAW
DISABILITY RIGHTS ADVOCATES
2001 CENTER STREET, THIRD STREET
BERKELEY, CA 94704-1204
R.07-01-042

M. SAMI KHAWAJA, PH.D
QUANTEC, LLC
720 SW WASHINGTON STREET SUITE 400
PORTLAND, OR 97205
R.07-01-042

MARY - LEE E KIMBER
DISABILITY RIGHTS ADVOCATES
449 15TH STREET, STE. 303
OAKLAND, CA 94612
R.07-01-042

GREGORY J. KOSIER
PORTFOLIO MANAGER
CONSTELLATION NEWENRGY, INC.
350 SOUTH GRND AVENUE, 38TH FLOOR
LOS ANGELES, CA 90071
R.07-01-042

SHAY LABRAY
MANAGER, REGULATORY
PACIFICORP
825 NE MULTNOMAH, SUITE 300
PORTLAND, OR 97232
R.07-01-042

MICHAEL LAMOND
ALPINE NATURAL GAS OPERATING
COMPANY
15 ST. ANDREWS ROAD, SUITE 7
VALLEY SPRINGS, CA 95252
R.07-01-042

DOUGLAS LARSON
PACIFICORP
201 SOUTH MAIN STREET, SUITE 2300
ONE UTAH CENTER 23RD FLOOR
SALT LAKE CITY, UT 84140
R.07-01-042

Kim Malcolm
CALIF PUBLIC UTILITIES COMMISSION
505 VAN NESS AVENUE
ROOM 5005
SAN FRANCISCO, CA 94102-3214
R.07-01-042

ROBERT W. MARSHALL
GENERAL MANAGER
PLUMAS-SIERRA RURAL ELECTRIC CO-OP
PO BOX 2000
PO BOX 2000
PORTOLA, CA 96122-2000
R.07-01-042

MICHAEL MAZUR
CHIEF TECHNICAL OFFICER
3 PHASES ENERGY SERVICES, LLC
2100 SEPULVEDA BLVD., SUITE 38
MANHATTAN BEACH, CA 90266
R.07-01-042

RICHARD MCCANN
M.CUBED
2655 PORTAGE BAY ROAD, SUITE 3
DAVIS, CA 95616
R.07-01-042

ELENA MELLO
SIERRA PACIFIC POWER COMPANY
6100 NEIL ROAD
RENO, NV 89520
R.07-01-042

MICHAEL D. MONTOYA
ATTORNEY AT LAW
SOUTHERN CALIFORNIA EDISON COMPANY
2244 WALNUT GROVE AVENUE
ROSEMEAD, CA 91770
R.07-01-042

R.07-01-042

Monday, February 26, 2007

RONALD MOORE
SOCAL WATER/BEAR VALLEY ELECTRIC
630 EAST FOOTHILL BLVD.
SAN DIMAS, CA 91773
R.07-01-042

RICK C. NOGER
PRAXAIR PLAINFIELD, INC.
2711 CENTERVILLE ROAD, SUITE 400
WILMINGTON, DE 19808
R.07-01-042

VALERIE J ONTIVEROZ
SOUTHWEST GAS CORPORATION
PO BOX 98510
LAS VEGAS, NV 89193-8510
R.07-01-042

JACK F. PARKHILL
SOUTHERN CALIFORNIA EDISON COMPANY
PO BOX 800
ROSEMEAD, CA 91770
R.07-01-042

MARYBETH QUINLAN
SOUTHERN CALIFORNIA EDISON COMPANY
2244 WALNUT GROVE AVE
ROSEMEAD, CA 91770
R.07-01-042

J. STEVE RAHON
DIRECTOR-TARIFFS & REGULATORY
ACCOUNTS
SEMPRA ENERGY UTILITIES
8330 CENTURY PARK COURT CP-32
SAN DIEGO, CA 92123-1548
R.07-01-042

STACIE SCHAFFER
SOUTHERN CALIFORNIA EDISON COMPANY
2244 WALNUT GROVE AVENUE
PO BOX 800
ROSEMEAD, CA 91770
R.07-01-042

MICHAEL SHAMES
ATTORNEY AT LAW
UTILITY CONSUMERS' ACTION NETWORK
3100 FIFTH AVENUE, SUITE B
SAN DIEGO, CA 92103
R.07-01-042

MARY O. SIMMONS
SIERRA PACIFIC POWER COMPANY
6100 NEIL ROAD, P.O. BOX 10100
RENO, NV 89520
R.07-01-042

BOBBI J. STERRETT
SPECIALIST/STATE REGULATORY AFFAIRS
SOUTHWEST GAS CORPORATION
5241 SPRING MOUNTAIN ROAD
LAS VEGAS, NV 89150-0002
R.07-01-042

DON STONEBERGER
APS ENERGY SERVICES
400 E. VAN BUREN STREET SUITE 750
PHOENIX, AZ 85004
R.07-01-042

JOY A. WARREN
ATTORNEY AT LAW
MODESTO IRRIGATION DISTRICT
PO BOX 4060
MODESTO, CA 95352
R.07-01-042

Sean Wilson
CALIF PUBLIC UTILITIES COMMISSION
505 VAN NESS AVENUE
AREA 3-C
SAN FRANCISCO, CA 94102-3214
R.07-01-042

DON WOOD
PACIFIC ENERGY POLICY CENTER
4539 LEE AVENUE
LA MESA, CA 91941
R.07-01-042

SOUTHERN CALIFORNIA GAS COMPANY
CENTRAL FILES
SOUTHERN CALIFORNIA GAS COMPANY
555 W. FIFTH STREET GT14D6
LOS ANGELES, CA 90013-1011
R.07-01-042