

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

Order Instituting Rulemaking on the Commission's  
Proposed Policies and Programs Governing post-2003  
Low-Income Assistance Programs.

R. 04-01-006

And Related Matters:

A.05-06-005

A.05-06-009

A.05-06-012

A.05-06-013

**REQUEST FOR AUGMENTATION OF THE LOW INCOME ENERGY  
EFFICIENCY STANDARDIZATION TEAM TECHNICAL SUPPORT BUDGET**

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**1. INTRODUCTION**

On behalf of the Joint Utilities Low Income Energy Efficiency (LIEE) Standardization Project Team<sup>1</sup> (Standardization Team or Team), San Diego Gas & Electric Company (SDG&E) hereby submits this request for an augmentation of the Standardization Team's technical support budget. Specifically, the Team requests that the California Public Utilities Commission (Commission) authorize an augmentation of \$330,620 for what will be referred to as Phase 5.2 of the Standardization Project. As explained below, the purpose of this augmentation request is to respond to a variety of new issues that have been raised since the Phase 5 budget was last augmented.

**2. BACKGROUND**

On October 1, 2004, an Assigned Commissioner's Ruling (ACR) directed the Standardization Team to review the existing standards and manuals to ensure that the current

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<sup>1</sup> The Standardization Team consists of Pacific Gas and Electric Company, Southern California Edison Company, Southern California Gas Company, and San Diego Gas & Electric Company, and the joint utilities technical consultants, with coordination assistance from the Commission's Energy Division and participation by the Office of Ratepayer Advocates.

LIEE program manuals remain up to date, and develop the necessary proposed standards and manual changes in time for program year 2005. On January 18, 2005, the Standardization Team filed the proposed revisions to the LIEE Policy and Procedures (P&P) Manual and the Weatherization Installation Standards (WIS) Manual (collectively, the Manuals) for Commission review and approval. Subsequently, on March 25, 2005 an ACR was issued directing the Standardization Team to withdraw its January 18, 2005 filing, to solicit public input on the proposed changes, follow the new process for consideration of recommendations, and to resubmit its recommendations pending the public input. In compliance with the ACR issued on March 25, the Standardization Team filed an amended scope of work for Phase 5 which was adopted by an ACR issued on June 7, 2005.

Since the June 7 ACR, the Standardization Team has been holding public meetings to discuss a wide range of issues identified in the Phase 5 scope of work. During this period, other issues have been raised in Team meetings and in meetings of the Low Income Oversight Board (LIOB). Moreover, the Commission has instructed the Team to address still other issues. In order to be able to address all of these issues, the Team will need an augmentation of its technical support budget. Section 3 describes the tasks that would be added to the existing Phase 5 scope of work and estimates the costs of these tasks.

### **3. ADDITIONAL TASKS AND SUBTASKS IN PHASE 5.2**

The current Phase 5 scope of work includes three tasks. The additional scope of work identified in this filing will be referred to as Phase 5.2, and will consist of a set of activities grouped together as Task 4. The components, or subtasks, of Task 4 are described below.

#### **Task 4.1. Make additional Changes in the Program Manuals**

During the course of considering various changes to the LIEE P&P and WIS Manuals, parties have proposed additional changes, the consideration of which will entail substantial technical background work. The following issues will need to be addressed:

- **Dryer Vent Penetrations.** Contractors attending the Standardization Team meetings suggested that they be permitted to correct situations in which natural gas dryers are not vented to the outside. Currently, these situations are considered uncorrectable natural gas appliance testing (NGAT) fails. The uncorrectable NGAT fails prevent the installation of infiltration reduction measures. In order to allow corrections to be made, policies and standards relating to penetrations of the building envelope will have to be developed.
- **Procedures for acquiring combustion ventilation air (CVA).** Contractors also suggested that: 1) they should not be required to correct CVA issues which met code when the combustion system was installed and 2) if they are required to make such corrections, they should be permitted to resolve these CVA problems which are currently considered uncorrectable NGAT fails. This will require the Standardization Team's technical consultants to: 1) further analyze past and present CVA code requirements and 2) develop alternative policies and standards.
- **Simplification of Vent Termination Requirements.** Contractors asked that vent termination requirements be simplified, and this will require technical support work and modification to the WIS.
- **Creation and Field Testing of Duct Testing Forms.** As part of the current scope of work, the Team developed standards and policies relating to duct testing and sealing, a measure which is proposed for inclusion in the 2006 LIEE Program. It was determined that, to ensure statewide consistency and to ensure cost-effective testing and sealing practices, it will be necessary to develop and field test a set of duct testing forms.

Addressing all of these issues will require technical support. It is estimated that the cost of this support will be \$50,740.

#### **Task 4.2. Present all Recommended Program Changes to the LIOB**

The LIOB has requested that the Standardization Team meet with its members to discuss all of the changes being proposed for the P&P and WIS Manuals. Due to the detailed nature of these manuals (especially the WIS Manual, this process could take several days,

including preparation by the Team's consultants. The Team believes it is more realistic to provide the manuals to the LIOB for their review, then to spend one day reviewing each of the manuals with the LIOB. The estimated cost of this process, including the preparation of presentations, is \$14,000.

#### **Task 4.3. Reconsider "Go-Back" Rules**

Current LIEE policy prohibits contractors from returning to a home that has been treated by the LIEE program within the past 10 years, but provides some exceptions to this rule for a few specific measures. Some parties to the Standardization Team meetings have requested a reconsideration of the "go-back" rules. Decision (D.) 05-04-052, Conclusion of Law 10. states "[A]s part of its next phase of work, the Standardization Team should develop a standardized policy for "go-backs" that balances the premise that all customers should receive all measures for which they are currently eligible (even if they received prior services) against concerns regarding administrative burden. Such burden may include the IOUs' need to budget accurately for go-backs, close projects, count treated homes, and excessive refrigerator replacement. The Team should also determine how to calculate the 10-year period during which program re-entry is prohibited." At the Standardization Team meetings, there have been general discussions on go-backs, but not to the full extent directed in D.05-04-052. The cost of technical support for further reconsideration is estimated to be \$19,880.

#### **Task 4.4. Develop Implementation Plan for Air Conditioner Tune-Up Pilot**

Ordering Paragraph 15, of D.05-04-052, states that "[T]he LIEE Standardization Team shall evaluate the LIOB's proposal for a pilot air conditioning maintenance measure as part of the next phase of its work, unless it is already evaluating the same proposal submitted

by another party.” In compliance with the Assigned Commissioner’s Ruling issued October 22, 2004, the Standardization Team instituted a process for considering new energy efficiency measures for inclusion in the LIEE program. Two parties recommended that air conditioner maintenance/tune-ups be added as a measure for 2006: Synergy, and a team consisting of Reliable Energy Management, Inc. and Tri-State Home Improvement. In its May 2, 2005 filing, “Report on the Assessment of Proposed New Program Year 2006 Low Income Energy Efficiency Program Measures” (the Report), the Standardization Team recommended Commission approval of the proposed air conditioners maintenance/tune-up (A/C maintenance) measure in the 2006 LIEE program. Subsequently, on September 7, 2005, the Standardization Team filed an amendment to the Report requesting to postpone A/C maintenance as a measure in 2006 and requesting authorization to conduct an A/C maintenance pilot in 2006. If the Commission approves the September 7 filing, within sixty (60) days of the approval, the Standardization Team plans to file a 2006 implementation plan for Synergy's A/C maintenance pilot proposal.

Task 4.4 of the augmented scope of work covers the preparation of this implementation plan. The plan will include objectives, options, evaluation approaches, and costs of the actual evaluation. The plan, including a requested evaluation budget, will be filed in mid-December for the Commission’s approval. The cost of the preparation of the plan is \$18,930.

**Task 4.5. Develop a Plan for Evaluating Energy Education**

Ordering Paragraph 10, of D.05-04-052, states “[T]he energy education programs of SDG&E, SoCalGas, and any other IOU that delivers the educational message to a location other than the customer’s home, shall be assessed as part of the Standardization Team’s next

measure assessment process. The Team shall evaluate the effectiveness of such programs vis-à-vis in-home energy education programs, in a process that is open to the public. The Team shall invite input from diverse interests, including community based organizations.” In order to respond to this Commission directive, the Standardization Team will need to develop an evaluation plan. Task 4.5, which covers the development of this plan, will have a cost of \$14,340.

**Task 4.6. Provide Training to CPUC Staff**

From time to time, Commission staff requests training on technical weatherization issues from one of the Standardization Team consultants, specifically, Richard Heath and Associates (RHA). In order to be able to provide this training, the Team proposes a budget augmentation of \$11,830. This will cover preparation and two days of training by RHA.

**Task 4.7. Additional Meetings**

Consideration of the above issues will require additional public meetings and workshops. Assuming that an additional seven Team meetings, two subcommittee meetings and four workshops will be required, the cost is estimated to be \$111,340.

**Task 4.8. Prepare Filings for Additional WIS and P&P Changes**

Any changes in the WIS and P&P Manuals that arise from subtasks 4.1 and 4.3 will be filed at the end of this phase of the Standardization Project. The cost of preparing this filing and any reply comments is estimated to be \$21,400.

**Task 4.9. Evaluate Furnace Repair and Replacement as a Measure**

One of the compromises reached in the course of public meetings was that the Team would evaluate furnace repair and replacement as a program measure (as opposed to a minor home repair). In keeping with the Commission’s accepted policy for evaluating new

measures, this will entail the application of the LIEE cost-effectiveness methodology, which entails the calculation of two tests: a utility cost test and a modified participant test. The estimated cost of this evaluation and the associated discussions is \$18,160.

**Task 4.10. Other Consultant Assignments**

During the course of public deliberations, other issues arise that require additional work by the Team's consultants. For example, over the past few months, the consultants have been asked to coordinate discussions with the California Energy Commission (CEC) on Title 24 compliance, to conduct cost effectiveness analysis of various measure options and combinations (*e.g.*, dropping the requirement for high efficiency furnaces for replacements), to assess the program costs of various measure options, and to conduct other analyses as needed. Given the need to conduct these analyses in a timely way, it is not always practical to solicit Commission approval prior to proceeding. Moreover, the Commission has already noted in its June 7ACR that it does not wish to approve cost overruns after the fact, so there is no way to compensate the consultants for these costs. The Team requests that the Commission approve the inclusion of \$50,000 to cover such unanticipated costs.

**4. BUDGET AND SCHEDULE SUMMARY**

Table 1 presents a summary of the proposed budget augmentation, which totals \$330,620. Table 2 summarizes the numbers of hours required by firm and task. Table 3 presents a proposed schedule for this phase of the Standardization project.



**Table 1. Budget Augmentation Breakdown**

Subtask	Augmentation Request		
	Itron	RHA	Total
Task 4.1. Make additional Changes in the Program Manuals	4,860	45,880	50,740
Task 4.2. Present all Recommended Program Changes to the LIOB	7,080	6,920	14,000
Task 4.3. Reconsider "Go-Back" Rules	11,000	8,880	19,880
Task 4.4. Develop Implementation Plan for Air Conditioner Tune-Up Pilot	6,860	12,070	18,930
Task 4.5. Develop a Plan for Evaluating Energy Education	11,380	2,960	14,340
Task 4.6. Provide Training to CPUC Staff	0	11,830	11,830
Task 4.7. Additional Meetings	45,720	65,620	111,340
Task 4.8. Prepare Filings for Additional WIS and P&P Changes	16,960	4,440	21,400
Task 4.9. Evaluate Furnace Repair and Replacement as a Measure	14,840	3,320	18,160
<b>Subtotal of Tasks 4.1-4.9</b>	<b>118,700</b>	<b>161,920</b>	<b>280,620</b>
Task 4.10. Other Consultant Assignments	25,000	25,000	50,000
<b>Total Augmentation Request</b>	<b>\$143,700</b>	<b>\$186,920</b>	<b>\$330,620</b>


**Table 2. Staff Hours Underlying Augmentation**

Subtask	Hours		
	Itron	RHA	Total
Task 4.1. Make additional Changes in the Program Manuals	24	178	202
Task 4.2. Present all Recommended Program Changes to the LIOB	32	32	64
Task 4.3. Reconsider "Go-Back" Rules	56	48	104
Task 4.4. Develop Implementation Plan for Air Conditioner Tune-Up Pilot	36	67	103
Task 4.5. Develop a Plan for Evaluating Energy Education	60	16	76
Task 4.6. Provide Training to CPUC Staff	0	64	64
Task 4.7. Additional Meetings	184	292	476
Task 4.8. Prepare Filings for Additional WIS and P&P Changes	88	24	112
Task 4.9. Evaluate Furnace Repair and Replacement as a Measure	80	20	100
<b>Subtotal of Tasks 4.1-4.9</b>	<b>560</b>	<b>741</b>	<b>1,301</b>

**Table 3. Schedule for Additional Work Scope**

Activity	Date(s)
Meetings	November-February
Workshops	January – February
File Plan for Energy Education Evaluation	December 15, 2005
File Plan for Air Conditioner Maintenance Pilot	December 15, 2005
File Additional Changes to WIS and P&P Manuals	February 29, 2006

Respectfully submitted,



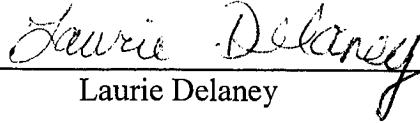
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**CERTIFICATE OF SERVICE**

I hereby certify that a copy of the foregoing **REQUEST FOR AUGMENTATION OF THE LOW INCOME ENERGY EFFICIENCY STANDARDIZATION TEAM TECHNICAL SUPPORT BUDGET** has been served electronically on all parties of record on the Commission's service list in proceeding R.04-01-006, et al.

Executed this 11<sup>th</sup> day of October 2005 at San Diego, California.

  
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Laurie Delaney