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ATTACHMENTS



Contact: Cheryl Cox, DRA Policy Advisor - (415) 703-2495 - cxc@cpuc.ca.gov
PROCEEDING NO: A.08-05-022 et.al. April 20, 2011
Commission Timing: May 15, 2011 (IOUs submit applications)

CARE / LIEE 2012 – 2014 Program Application Schedule

DRA Position: The CPUC should grant 1-year bridge-funding for LIEE programs and provide additional guidance to the utilities to develop improved low-income programs.

Background

- Assigned Commissioner Ruling requires the utilities to file 3-year (2012–2014) Low Income Energy Efficiency (LIEE) portfolios and California Alternative Rates for Energy (CARE) applications by May 15, 2011.
- Critical evaluation data from LIEE pilots and studies are not fully available to inform design of 2012-2014 programs.
- Under the current schedule, CARE / LIEE audits will not be released and considered in sufficient time to shape new programs.

Current LIEE Schedule will Lock-in Program Design Based on Old Data

- D.08-11-031 and LIEE rulings require the utilities to incorporate evaluation results and other updates into their next LIEE program cycle (see References).
- CPUC Guidance Document for LIEE program application development omits significant issues identified in D.08-11-031:
 - ▶ Increase correlation of program spending to savings.
 - ▶ Implement CPUC targeted customer priorities: High User, High Energy Burden, and Insecurity.
 - ▶ Incorporation of newly legislated lighting standards.
- Utility 2009 LIEE and CARE Annual Reports show:
 - ▶ LIEE is not achieving savings: For every dollar spent on the program, households realize \$0.44 in bill savings. When including "non-energy benefits," net losses total \$65 million (2009) out of \$215 million program.
 - ▶ Refrigerators provide highest value: 42-78% program electric savings, yet only 17% of dwellings served in 2009 received refrigerators.
 - ▶ Broad consensus among stakeholders: Need to review refrigerator standards, but the study is still incomplete.



DRA Recommendations

- Bifurcate the LIEE and CARE program proceedings, which each have unique needs.
- Approve 1-year bridge funding for LIEE and require 2-year program cycle applications to be submitted by March 1, 2012.
- Proceed with CARE program applications deadline of May 15, 2011. However, the CPUC should provide additional guidance requiring IOU proposals to address affordability issues (such as debt management strategies and making bills predictable).
- Publicly release CARE and LIEE program audits in order to provide transparency for program savings results.



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References: CPUC LIEE Decisions and Rulings

Supporting Incorporation of Evaluation Results in 2012-2014 LIEE Programs

CPUC references below are filed in Docket A.08-05-022 et.al.

Assigned Commissioner and ALJ Scoping Memo of January 20, 2010

"There are also several ongoing pilot programs and studies (e.g. 2009 Impact Evaluation; the 2010 Process Evaluation; the Non-Energy Benefits Study; the High Usage Needs Assessment; the Refrigerator Degradation Study; the CARE Recertification Study; etc.). These are currently underway in preparation for use as bases for the next budget cycle." (p.2)

The IOUs must also do a better job of communicating the results of their pilots and studies to the Commission, other IOUs and other stakeholders. (p.6)

D.08-11-031

"Lighting Programs Shall Support New Laws and the Rapidly Changing Marketplace. Significant new state and federal laws are rapidly transforming the lighting market. We approve continued lighting programs, coupled with educating LIEE customers about new energy efficiency lighting laws. Lighting program budgets, including LIEE programs, will diminish as market transformation occurs." (p. 5)

"As new technologies in lighting come into play between 2009 and 2011, the IOUs shall adhere to the new legal standards in introducing lighting measures to LIEE portfolios. They shall report in their annual reports their preparation to meet the new legal requirements.

Should the general Energy Efficiency decision, expected in 2009, develop a major shift in lighting focus for the state, the IOUs may need to readjust their lighting portfolios midcourse to reflect such changes." (OP 44 and 45)

Energy Savings and Cost Effectiveness

Assessment/Energy Audit and Measure Installation: Conduct a site specific energy audit at each residence. Install feasible measures based on housing type and climate zone11; **increase measure-level cost effectiveness.** (p.12)

We are also concerned about the low level of energy savings we see in the 2009-11 budget applications by PG&E and SCE, and for SDG&E its electric savings, as compared to the requested budget increases. We would expect to see a closer correlation between budget increase and rises in overall program energy savings.



D.08-11-031 (cont'd)

The following are the IOUs' actual numbers, which show that budget increases will not produce corresponding energy savings:

We will also require that the IOUs report the new energy savings values in the next annual report to the Commission once the Impact Evaluation Study and Non Energy Benefits studies are complete. We anticipate that these published results will show that energy savings of the portfolio are increasing over time, with an increased correlation between program spending and energy savings. (p.46-47)

By conducting an Impact Evaluation for 2009, we can ensure that the results are available prior to the submission of the 2012-2014 budget applications. (p. 158)

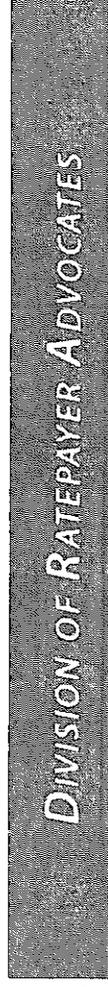
IOUs shall perform a 2009 Impact Evaluation study and Non Energy Benefits study. The IOUs shall report the results of these studies once the studies are completed. We anticipate that these reported results will show that energy savings of the LIEE portfolio are increasing over time, with a closer correlation between program spending and energy savings than shown in the IOUs' 2009-11 budget applications. (OP 21)

Segmentation Study

However, this study must occur in the first part of 2009, in order for its results to be coordinated into the single statewide ME&O program. Before commencing the study, the IOUs shall coordinate the study's development with IOU and Commission staff developing the ME&O program. After the study is completed, the IOUs shall communicate and discuss the results with the same individuals. (p. 156)

Refrigerator replacement study

In the LIEE program, refrigerator replacement provides significant, cost effective energy savings, and we strongly endorse a continued focus on this measure. Further study of this long term and enduring energy savings measure will prove itself useful to better program delivery and therefore approve this pilot. If more frequent refrigerator replacement would garner new, significant and cost effective energy savings, we may decide to allow such replacement in the future. (p. 157)



CARE / LIEE Studies, Pilots and Measures To Be Conducted To Inform 2012 – 2014 Program Planning

Study/Pilot	Study/Pilot Goal	Utility	Project Notes (as of 8/20/10)	Projected Completion Date	COMPLETE
Non-Energy Benefits Study Phase I	The project will provide research and a report on the status of current work in NEBs, will evaluate the best methodology for quantifying NEBs in LIEE, gather input and feedback on recommended approaches, and direct the focus of the Phase 2 research.	PG&E, SCE, SDG&E, SCG	ED is working with the IOUs to determine if Phase II is necessary or if the money is more prudently spent on updating the current model rather than more research.	Possibly rolls into Phase II	✓
Impact Evaluation	The impact evaluation is intended to estimate first year electric and gas savings for individual measures, climate zones, utility service territories and housing types.	PG&E, SCE, SDG&E, SCG	Onsite evaluations have begun and a draft report is expected in December.	anticipated May 4, 2010 (reported by Sempra)	
Process Evaluation	The process evaluation will present recommendations, identify improvements, and outline solutions for current program shortcomings.	PG&E, SCE, SDG&E, SCG	We have just selected a consultant for this project and are meeting 8/25/10 to focus the research goals.	anticipated May 4, 2010 (reported by Sempra)	
Workforce Education and Training (WE&T) Pilot	Develop a LIEE training curriculum that is replicable statewide and create a certificate that is recognized statewide by LIEE contractors.	PG&E	All 7 of the SF OEWD LIEE students have been placed at a LIEE contractor. LATTC has placed 28 students. A final report w/curriculum is due 12/10, 01/11	*01/2011-03/2011	
High Usage Needs Assessment (HUNA) / Segmentation Study	HUNA - Identify causes of high-tier CARE customer energy use in mild climate zones. Segmentation - Identify eligible customers willing to participate in LIEE programs and investigate what messaging drives energy efficiency awareness and behavior and use t	PG&E, SCE, Only SCE for HUNA	The data crunching/cleaning part of the segmentation study took longer than expected and the consultant is still processing that info. The survey part of the Seg. study and the HUNA in-home assessments are going to begin in September.	*12/2010	

DIVISION OF RATEPAYER ADVOCATES

<p>Non-Energy Benefits Study Phase II</p>		<p>PG&E, SCE, SDG&E, SCG</p>		
<p>PG&E CARE Recertification Study</p>	<p>Study CARE customer non-response to multiple recertification and post enrollment income verification requests to understand why customers do not recertify or provide requested income documentation, and report how PG&E can overcome these barriers in its de</p>	<p>PG&E</p>	<p>Due to the small size and cost of this study, PG&E aims to complete this survey study by the end of October.</p>	<p>*12/2010</p>
<p>Refrigerator Degradation Study</p>	<p>Study and determine an appropriate age at which to replace post-1993 refrigerators to achieve maximum energy savings.</p>	<p>PG&E, SCE, SDG&E</p>	<p>The RFP has been drafted and will soon be circulated to a select bidders list of technical firms.</p>	<p>*04/2011</p>
<p>PILOTS/NEW MEASURES</p>				
<p>-On Line EP Training</p>	<p>Number of items installed in 2009 / 2010</p>	<p>PG&E</p>		
<p>City of San Joaquin microwaves</p>	<p>382 / 3,747</p>	<p>PG&E</p>		
<p>high efficiency clothes washers</p>	<p>27 / 1,866</p>	<p>PG&E</p>		
<p>Natural Gas High-Efficiency Forced Air Unit (FAU)</p>		<p>SoCalGas</p>		<p>COMPLETE</p>
<p>In Home Display</p>	<p>Pilot to start 2011</p>	<p>SDG&E</p>		<p>√</p>
<p>Programmable Controllable Thermostat</p>	<p>Pilot to start 2011</p>	<p>SDG&E</p>		
<p>Thermostatic Shower Valve</p>	<p>3,545 / 6,676</p>	<p>PG&E and SDG&E</p>		
<p>LED Night Lights</p>	<p>28,720 / 49,729</p>			
<p>Occupancy Sensor</p>	<p>21,107 / 21,325</p>			
<p>Forced Standing Change Out Air Unit Pilot</p>	<p>227 / 470</p>		<p>"As shown, the number of measures had generally low participation (with the exception of occupancy sensors and night lights) and comprised a small fraction of overall savings for PY 2009. Given the small amount of savings involved, the engineering analysis conducted was minimal and involving a desk review of the savings values and source documentation." (Section 7.2 Draft 2009 Impact Evaluation)</p>	