



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

**FILED**

08-03-12  
04:59 PM

Application of Pacific Gas & Electric  
Company for Approval of 2013-2014  
Energy Efficiency Programs and  
Budgets (U39M).

Application 12-07-001  
(Filed on July 2, 2012)

And Related Matters.

A.12-07-002

A.12-07-003

A.12-07-004

**RESPONSE OF ENVIRONMENTAL HEALTH COALITION ON THE  
“APPLICATION OF SAN DIEGO GAS & ELECTRIC COMPANY (U902M)  
FOR APPROVAL OF ELECTRIC AND NATURAL GAS ENERGY  
EFFICIENCY PROGRAMS AND BUDGETS FOR YEARS 2013  
THROUGH 2014 ”**

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**August 3, 2012**

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## **I. INTRODUCTION**

Environmental Health Coalition (“EHC”) respectfully submits these comments in response to the “Application of San Diego Gas & Electric Company (U902M) For Approval of Electric and Natural Gas Energy Efficiency Programs and Budgets for Years 2013 to 2014” (Application) in accordance with the California Public Utilities Commission (“Commission”) Rules of Practice and Procedure. EHC is a 32-year old environmental justice organization representing low-income, communities of color in San Diego’s urban core. Our mission in this proceeding is to close the green divide and ensure that San Diego’s most underrepresented neighborhoods are not left behind in the green economy, in terms of access to green jobs and green infrastructure. We are also fully committed to seeing a robust, sustainable, and viable transformation of the energy efficiency marketplace, including the integration of successful and lasting energy conservation behavior and full implementation of the Loading Order into procurement planning. Our comments in response to the Application focus on highlighting where the Application succeeds in these arenas and making recommendations for areas of improvement.

## **II. WORKFORCE EDUCATION AND TRAINING: IMPROVING ACCESS FOR MEMBERS OF LOW-INCOME COMMUNITIES AT ALL AGES AND CONNECTING TRAINED WORKERS WITH JOBS**

The potential for green jobs offers the one ray of hope in California’s and San Diego’s gloomy economy. Even though the U.S. clean economy grew more slowly than the general economy between 2003 and 2010,<sup>1</sup> California and San Diego’s clean economy grew more

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<sup>1</sup> Muro, Mark, et al. *Sizing the Clean Economy*. The Brookings Institution Metropolitan Policy Program. 2011.

quickly than the general U.S. and statewide economies.<sup>2</sup> Since the mid-1990s, green jobs in San Diego grew at a rate twice that of the overall economy. San Diego and California's green economy also showed greater resilience than the statewide economy during the recession. While statewide jobs declined by 7% from 2009-2010, *green* jobs declined by only 3% statewide and by less than 2% in San Diego.<sup>3</sup>

These statistics, however, do not accurately capture the job potential for low-income and disadvantaged communities. When we delve deeper into the varying segments of the green economy, we see that the level of success, number of jobs, and types of job opportunities vary quite a bit. The segments of the green economy that are growing the fastest or that currently have the most jobs do not necessarily have the most jobs that are attainable for low-income and disadvantaged communities, based on education and on-the-job experience needed.<sup>4</sup> The industries with jobs that are more accessible to low-income and disadvantaged communities—“green collar jobs”—are mostly in green construction, energy efficiency, and rooftop solar PV installation, and are still small subsegments of our green economy.<sup>5</sup>

Even though green construction jobs have been predicted to grow at above average rates over the next few years,<sup>6</sup> and the green economy has been reported to offer more opportunities and better pay for low- and middle-skilled workers than the general economy,<sup>7</sup> we are still waiting for both of these promises to materialize.

As a result of the slow market, combined with numerous barriers low-income and disadvantaged workers face— including lack of transportation, language skills, and quality

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<sup>2</sup> Next 10. *Many Shades of Green 2012*. [http://next10.org/next10/publications/pdf/MSOG\\_2012\\_M2.pdf](http://next10.org/next10/publications/pdf/MSOG_2012_M2.pdf)

<sup>3</sup> Next 10. *Many Shades of Green 2012*. [http://next10.org/next10/publications/pdf/MSOG\\_2012\\_M2.pdf](http://next10.org/next10/publications/pdf/MSOG_2012_M2.pdf)

<sup>4</sup> Next 10. *Many Shades of Green 2012*. [http://next10.org/next10/publications/pdf/MSOG\\_2012\\_M2.pdf](http://next10.org/next10/publications/pdf/MSOG_2012_M2.pdf)

<sup>5</sup> Next 10. *Many Shades of Green 2012*. [http://next10.org/next10/publications/pdf/MSOG\\_2012\\_M2.pdf](http://next10.org/next10/publications/pdf/MSOG_2012_M2.pdf)

<sup>6</sup> Green Construction: An Occupational Outlook for San Diego County, Green LMA & BW Research Partnership for San Diego Workforce Partnership and Cuyamaca College, Dec 2010.

<sup>7</sup> Muro, Mark, et al. *Sizing the Clean Economy*. The Brookings Institution Metropolitan Policy Program. 2011.

education– job placement rates by local community-based adult and young adult green jobs training programs have been hovering around a mere 50%, and unemployment rates in lower-income communities remain much higher than the county average. National City had the highest unemployment rate in the County (17.1%) followed by Imperial Beach (14.2%), and El Cajon (12.1%),<sup>8</sup> as compared to San Diego County (8.9%) as a whole. To compound matters,, these are the same communities that face some of the highest rates of pollution from a myriad of sources and consequently a myriad of health problems, including but not limited to asthma.

It is clear that extensive support is needed to improve job access and work readiness, alongside a major push to build critical momentum in market demand in the building performance and rooftop solar industries.

#### **A. K-12 Green Education: Maximize At-Home Benefits and Engagement of Low-Income Communities**

Education on energy and environmental stewardship starting at young age has benefits that are threefold: it starts the pathway out of poverty to good, green, skilled careers; it creates a generation with a totally different mindset and enhanced awareness about how we should be valuing our energy and environmental assets; and that knowledge can be brought home to educate and influence families’ behavior.

We support the statewide IOU emphasis on promoting green careers, increasing awareness about personal, at-home, and school day-to-day energy use, and ensuring that “minority, low-income, and disadvantaged communities fully participate in training and education programs” across grades K-12. We also support SDG&E’s plans to expand its participation in youth education from grades 3-7 to include all K-12, via its new 3<sup>rd</sup> Party K-12

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<sup>8</sup> Ibid

Energy Efficiency Program. We believe this expansion will further develop and reinforce students' awareness of energy issues and green careers, as well as increase the number of students who will act as energy stewards with their families and broader communities, bringing a higher level of sophistication to the dialogue due to the increased age of students.

We are encouraged that SDG&E's 3<sup>rd</sup> Party K-12 EE Program appears to adopt elements of other IOUs' existing youth education programs, including the emphasis of PG&E's "Green Pathways High School (9-12 grade) Program" and "Energenious Pre-K to 8 Program" and SCE's "Green Schools" program on green careers awareness, practical green careers skills building, and at-home and at-school energy use awareness. We are also happy that SDG&E will provide take home materials for students (Appendix C.1, p1115) in order to assist in bringing home energy saving and environmental stewardship knowledge to families.

In order to maximize the at-home energy savings benefits, SDG&E's K-12 program should adopt the model of the SCG/SCE-only "Living Wise" program that provides students with take-home energy kits, with energy and water-saving products for immediate installation in the home, as well as materials specifically aimed at educating parents, since students may not always have the same motivation and financial interests as parents. These materials should be available in multiple languages in order to reach parents who lack proficient English language skills.

As a complement to the K-12 program, in order to further reach parents and families and maximize the maximize permanence of their behavior change, we strongly support the value of in-home energy assessments and education with multiple follow-up visits done by trusted messengers from community-based organizations—as outlined in section IV(B) of our comments.

We further encourage SDG&E to engage non-traditional youth and young adult education programs such as Youth Build and Urban Corps, which help 18-24 year olds earn GEDs while also learning vocational career skills.

**B. College & Adult WE&T: Expand SDG&E Program to include Community Colleges and Adult/Young Adult Training Programs to Increase Engagement of Disadvantaged and Low-Income Communities**

We support IOUs' plans to engage both community colleges and major colleges and universities to develop programs in energy efficiency and green career paths, including a "Utility Workforce Education and Training Program" at community colleges (Appendix C.1, 756). We also support IOUs' proposal to work with campus EOP programs at community colleges and major colleges and universities to "ensure that minority, low income, and disadvantaged students are fully engaged in our energy efficiency and green career path programs" (Appendix C.1, 756). Finally, we support the SCE DEEP program, which trains and educates California Community College students in demand side reduction and green careers.

We are disappointed, however, to see that the community college and adult education outreach appears *not* to be a major part of SDG&E's WE&T plans. As the WE&T PIP highlights, in order to meet California's Long Term Energy Efficiency Strategic Plan's vision, IOU WE&T Programs *must* support "community college and adult education efforts to develop education based on visible career paths in energy efficiency and related fields" and "achieve the fullest participation by minority, low income, and disadvantaged communities in training and education at all levels of DSM and energy/resource efficiency industry" (Appendix C.1, p752).

It is also critical to engage both young adult and adult education and training organizations that are not affiliated with a college or university and serve the lower-income communities, such as MAAC Project, Youth Build programs, Urban Corps, California Conservation Corps, and community college adult and continuing education programs. We support the statewide WE&T Connections Sub-Program proposal to foster “relationships between the IOUs and the educational sector, entry and intro-level community based training efforts that support workforce development” (Appendix C.1, 754), as well as the plans to “assist community-based training programs that offer energy efficiency and hands-on training green job curriculum to trainees in minority and other disadvantaged communities” (Appendix C.1, p769) in coordination with Low-Income Energy Efficiency programs.

However, we are again disappointed to see that the “Adult School/Post High School” program (Appendix C.1, p813) is also limited to SCE. This program outlines a model to reach our underserved communities with in-language seminars, outreach to schools, community events, faith-based organizations and community centers, adult learning centers, and community colleges.

We urge SDG&E to implement both a community college and adult school/post high school WE&T program modeled after SCE’s or a similar model.

### **C. Curriculum Development: Coordinate with WIBs and Community-Based Training Centers to Reach Low-Income and Un/Underemployed Workforce**

We support that WE&T Connections Sub-Program plans to collaborate with a number of industry and educational specialists in engaging students, developing curricula to meet projected

workforce needs, and delivering career-focused trainings and energy conservation information to the new workforce and the general community.

We strongly encourage adding to the list of collaborators (Appendix C.1, p767) local Workforce Investment Boards(WIBs), community-based training organizations, and high schools, all of whom can provide essential connections to low-income and underrepresented workers, students, and communities. It is critical these institutions be involved in curriculum development collaborations with industry, so that they are best able to tailor their programs to meet the actual needs of the economy and improve their students' chances for job placement.

For example, at Hoover High School in City Heights (one of the most diverse and low-income communities in San Diego and the nation), there is a new vocational program called the Sustainable Academy of Building & Engineering , located in a newly constructed LEED Silver building, with a focus on green construction and technology training. They would benefit from connecting with the utility to help develop curriculum and skills training and connect to future training and career pathway opportunities for their students.

Finally, we encourage trainings to be held in locations easily accessible to low-income and disadvantaged students and workers—such as at existing community training facilities like MAAC Project, Urban Corps, Hoover High School, Workforce Partnership, etc— because lack of transportation is still one of the top barriers low-income communities face in accessing good jobs.<sup>9</sup>

#### **D. WE&T Metrics: Include Goals on Number of People Reached and Geographical and Demographical Equity, Not Just Number of Training & Outreach Events**

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<sup>9</sup> Scott, Megan Emiko. *Voices From Los Angeles: Barriers to Good Jobs and the Role of the Public Sector*, SCOPE, Oct 2011, [http://scopela.org/downloads/Voices%20from%20LA\\_Online.pdf](http://scopela.org/downloads/Voices%20from%20LA_Online.pdf)

In SDG&E's Centergies Program Goals, (Appendix C.1, p776) we disagree that the number of training sessions and outreach events held should be the only goal or metric for success. SDG&E should add goals regarding geographic equity in locating sessions and events, demographics of population reached, number of people reached total, and number of training graduates placed in jobs. Without those metrics and accountability, we are doing a disservice to those communities and the ratepayers.

### **E. Career Connections: Bridge the Gap Between Low-Income Communities and Green Career Opportunities**

As previously mentioned, green jobs can offer a pathway out of poverty for our low-income communities; so it is important both to ensure low-income communities have access to those jobs and that they are put on a career track with the potential for upward mobility.

We support the planned statewide collaboration with the California Division of Apprenticeship Standards, the increased push towards workforce earning industry-recognized certifications and credentials (p777), and plans to incentivize high-roads skills standards as a part of the HVAC sector strategy or CALCTP training (p779), all of which will help increase overall quality of work delivered to customers and help workers build long-term, quality careers. We suggest that the MUSH sector, emphasized in the Commercial Energy Efficiency Program, is another place to implement high-roads and targeted hiring incentives and standards.

It is essential that these new collaborations aim to increase the number of apprentices from disadvantaged and low-income communities who have been historically underrepresented in the trades. These workers will benefit from the opportunity to build family-sustaining, long-term careers offered by the skilled trades; while the trades can benefit from the fresh perspectives

and new avenues to reach a broader customer base brought by the new workers from underrepresented communities.

Based on our observations of past voluntary incentive programs, we believe that incentives will need to transition to mandatory levels of certifications and inclusion of disadvantaged workers by participating contractors in order to effectively and comprehensively raise the quality of work and jobs across the board and maximize benefits to all ratepayers.

To strengthen the connection between green careers and educational and entry-level training institutions serving low-income populations, the IOUs and their contractors should hold job fairs at schools, community colleges, and community-based training programs in low-income neighborhoods, when jobs and/or paid apprenticeships are available. In fact, SDG&E should make it a contract requirement that contractors participating in energy efficiency, renewable energy, and demand management programs participate in these job fairs and outreach events.

To further expand the job opportunities available to low-income and underrepresented communities in the workforce, it is essential to make direct connections between IOU IDSM programs and local workforce training organizations. We agree that SDG&E's 3<sup>rd</sup> Party Commercial Direct Install PIP "offers an opportunity for achieving one of the primary goals of Workforce Education & Training—providing energy efficiency jobs for low income and disadvantaged workers" (Appendix C.1, p1221), as this incorporates comments and recommendations EHC made at WE&T PAG meetings. We support SDG&E's plans to incorporate into its Commercial Direct Install Program workforce development, including trainings in audits, financing, and soft skills like customer service, sales, and marketing, as these are all skills that have been identified to EHC by local training providers as necessary emphases for low-income and disadvantaged workers.

We urge SDG&E to provide further detail in its Commercial Direct Install PIP to strengthen and clarify the direct linkage between job training and placement and Direct Install Program, rather than delaying indeterminately until “the WE&T program coalesces” (Appendix C.1, p1221). We recommend the inclusion of contract incentives or requirements to hire disadvantaged workers as an integrated part of the program design, RFP, and contract award processes. Inclusion of disadvantaged workers in the program can also provide effective outreach avenues for meeting the program’s goal to increase the participation of BID customers (Appendix C.1, p1216) and “hard-to-reach customers” (Appendix C.1, p1224).

We suggest that a successful model the Commercial Direct Install Program could follow is that of the City of San Diego’s MIDI Pilot partnership with MAAC Project and others, as described in section V(B) of our comments. In fact, we urge MIDI to continue using this collaboration as well.

Another successful model we recommend for Commercial Direct Install and/or other IDSM programs is the Energy Smart Jobs<sup>10</sup> model used in recent years by California’s public and private utilities– including SDG&E– to reach commercial ratepayers. This model offers a robust solution to directly link workforce training of disadvantaged communities, with market demand generation, market and job opportunity growth, and ultimately job placement. The Energy Smart Jobs Model could even be integrated to the Whole Home Upgrade Program (WHUP).

Finally, other successful models include Clean Energy Works Oregon and Seattle Community Power Works, which include incentivizing high-roads and targeted hiring standards through a best-value contracting process.

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<sup>10</sup> <http://www.energysmartjobs.org/documents/energysmart-jobs-final-report.pdf>

Developing successful programs and placing disadvantaged community members into jobs post-training is such a key element of building a successful efficiency market that we suggest increasing the budget of these efforts to allow for more direct incentives, pilot programs and innovative partnerships. We understand the need for cost-effectiveness, but in order to build a market from the ground up and ensure its inclusiveness, we need to jumpstart these programs with higher levels of funds based on proven models.

### **III. IMPROVE MARKETING & OUTREACH: WE NEED LONG-TERM COMMITMENT TO CONSERVATION & EFFICIENCY AS OUR MAIN PROCUREMENT STRATEGY THROUGH BETTER MESSAGING**

The State of California has ambitious targets for reducing energy consumption and emission of greenhouse gases. To protect the health and economy of the low-income, underemployed communities EHC represents, we are fully committed to seeing these goals met, via a thriving and sustainable energy efficiency and clean energy economy.

In order to meet these goals, we must compel immense increases in participation in IOU energy efficiency and energy behavior change programs; and energy conservation and efficiency knowledge must be meaningfully integrated into the mass market.

This will require IOUs to play a major role in expanding outreach through all outlets, including mass, targeted, and customized marketing. We support IOU plans to utilize a “mix of communication channels and languages” such as “web, call center, bill messaging, email, social media, direct mail, retail partnerships, community- and faith-based partnerships, outreach events, local government partnerships, general and ethnic media”( Appendix C.1, p5).

## **A. Expand Effective Mass Marketing and Engage Local Leaders**

We urge the mass marketing to also utilize radio, including, but not limited to Spanish-language programming, sports radio, and public radio. The effectiveness of radio marketing is shown by PG&E's in-depth marketing effectiveness assessment that found radio was the top way people heard of EUC (Appendix C.1, p119).

We also encourage the utilization of television as a mass outreach tool, especially during widely viewed sports and popular programming. The Olympics, for example, would have been a perfect time to reach a mass market and connect messaging between patriotism, energy independence, and a healthy environment via energy conservation and clean, distributed generation.

We also recommend the engagement of trusted leaders in the community to champion the message about energy conservation and efficiency and climate change, with the same vigor they used on San Diego's successful water conservation campaign. Soliciting the help of elected officials, business leaders, community leaders, etc in messaging the need for reduced energy use not only secures their individual investment and involvement, but also helps engage broader community buy-in and participation.

## **B. Expand Effective Targeted Marketing Using Data Sharing, Captive Audience Engagement, and Events in Low-Income Neighborhoods**

We support the IOUs' "major emphasis on getting the right message to the right customer at the right time" (Appendix C.1, p223). Targeted marketing should be enhanced by the collection and public sharing of aggregated residential and business energy behavior information

and Energy Advisory Survey responses, along with the new Regional Energy Mapping Tool, to help inform the marketing and outreach of contractors, lenders, and other interested parties.

Another important aspect of effective marketing is leveraging opportunities to engage captive audiences. For example, the City of Bainbridge Island, Washington took advantage of the fact that over half its population commutes to work daily on a ferry— making them a captive audience twice a day. The City installed large, on-ferry ads featuring people from the community who had already installed energy efficiency upgrades and also had program representatives on board the ferry to answer questions. In addition, the City placed real-time community-wide energy-use information on the ferries and in 10 public locations— including coffee houses, the library, bookstores, and grocery stores— as well as through social networking outlets and in neighborhoods, to educate residents about energy usage and the energy efficiency opportunities. This outreach, alongside making available low-interest financing (3-5%) and \$400 *rewards* to incentivize homeowners to receive a *free* energy assessment, persuaded Bainbridge Island’s small population of under 22,000 people to save 10 MW off of their peak energy load in just one winter—more than enough to save the City from having to build a new power substation!<sup>11</sup> It is programs like this— that combine innovative and pervasive marketing and outreach and community partnerships, to not only drive people to utilize IDSM programs but to transform an entire mindset and market— that SDG&E and all IOUs should model their programs after.

We also recommend IOUs expand the limited focus of their targeted and direct marketing from just “households with higher usage” (Appendix C.1, p14) to include households and

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<sup>11</sup> Quigley, Eileen V and Elizabeth Willmott. *Powering the New Energy Future from the Ground Up: Profiles in City-Led Energy Innovation*, New Energy Cities, July 2012. <https://s3.amazonaws.com/Newenergycities/PoweringtheNewEnergyFuture.pdf>

communities at high risk of heat-related illness, asthma, and other respiratory diseases that are exacerbated by climate change and poor air quality.

As a part of this expansion of the target population, we recommend expansion of outreach and education efforts beyond the Energy Centers, which appear to be the primary method of delivery for *all* segments of the population. While we understand that the Energy Centers play an important role in educating certain segments of the population, alternative methods and locations for outreach and education are needed to reach our disadvantaged populations.

Specifically, we recommend SDG&E host energy awareness outreach and educational events targeted at low-income families and workers, in the neighborhoods where they live, as transportation to Energy Centers that are 15-30 miles away is a barrier. We are encouraged to see that is part of their plans to “build partnerships with community-based organizations to offer on-location joint utility workshops in disadvantaged communities” and provide “presentations and materials in languages other than English as appropriate to each community and partnership” (Appendix C.1, p781).

### **C. Increase Engagement of Low-Income Communities in Customized Marketing Plans**

Customized marketing and outreach via SDG&E’s Energy Advisory Program should be expanded to include Telephone Surveys and In-Home Surveys, as in SCE’s and PG&E’s Energy Advisory Programs, in order to maximize access by low-income families who often lack internet access. These surveys should be available in multiple languages to support reaching ESL communities. In-home and in-language outreach by trusted messengers like CBOs will help

increase participation with families who may not be familiar with energy efficiency technology and need some extra assistance in understanding these new concepts; this personalized, in-home outreach also helps maximize long-term incorporation of behavior change, as our comments highlight in section IV(B).

#### **D. Distributed Generation: Include Clean DG in SDG&E IDSM Marketing**

We are disappointed to see “there is no DG contribution to the IDSM marketing budget as SDG&E does not administer those program in [its] service territory” (Appendix C.1, p1259). While we fully support promoting energy resources in order of the Preferred Loading Order, starting with energy conservation and efficiency, leaving distributed generation out of the IDSM discussion entirely is missing a key opportunity to maximize all non-fossil fuel energy resources and work towards the state’s distributed generation and zero net energy building goals. In fact the PIP agrees that there is a “unique nexus” (p113) and an “inherent synergy that exists between the energy efficiency awareness efforts of CSI and the Whole House programs “(Appendix C.1, p113).

SDG&E’s omission of DG from the IDSM marketing budget, at the same time they have proposals for three new natural gas plants, is yet another example of the disconnect between what is required by the state’s Loading Order– energy conservation and efficiency, demand response, and renewable energy before any fossil fuel energy– and what is put into practice.

We firmly believe in the necessity for appropriate promotion of clean DG to be included in SDG&E’s Local IDSM Marketing and outreach.

#### **IV. BEHAVIORAL CHANGE: THE CORNERSTONE OF CREATING A LASTING, MEANINGFUL & WIDESPREAD CONSERVATION ETHIC IN ALL COMMUNITIES**

In order to meet state GHG and energy reduction goals, permanent and meaningful behavior change *must* be an integral part of the solution. It is not enough to market energy efficiency upgrade programs; we need a total transformation in the way we think about and value energy.

##### **A. Expand Participation and Improve Success Metrics**

We see potential in SDG&E's piloting of some new strategies to evoke residential and small business behavior change and increased energy efficiency program participation through neighborhood and school-based competitions and the use of energy reports (Appendix C.1, pp 1272-1283). In order to increase the reach of these programs and work towards the state's ambitious energy reduction goals, we believe a more aggressive and broad-reaching approach to these programs is necessary.

First, we recommend the expansion of residential eligibility to include all single-family and multi-family homes— not just single-family homes using over 10,000 kWh— and all climate zones. We must build a conservation ethic into all communities, especially for folks like college students or recent college graduates who may live in apartment buildings or multifamily homes as students but later move into single-family homes in different neighborhoods post-schooling. The same is true of children who may grow up in multifamily complexes but move into single-family homes later in life. We must instill the conservation ethic into all ages, income-brackets, and neighborhoods.

Secondly, we urge the Residential and Small Business Behavior Change program to set much higher metrics for success:

- a) SDG&E’s first goal for the program is that a mere “20% of customers *in the program* (emphasis added) will be engaged and aware of, and understand how, they use energy and how they can reduce energy use” (Appendix C.1, p1282). Customers *in the program* should *all* be aware of and understand how they use energy and how they can reduce energy, as is the point of the program. This goal needs to be set at near 100%.
- b) SDG&E’s second metric of success is that “at least 10% of customers will purchase *or consider the purchase* (emphasis added) of a more efficient appliance” (Appendix C.1, p1282). We question how SDG&E will measure if customers “consider the purchase” of more efficient appliances. Only *action*, not simply “consideration”, is an acceptable measurement of success. Furthermore the percentage goal for customer purchases of more efficient appliances should be vastly increased.
- c) SDG&E’s third metric of success, that “by 2020, people will stop wasting energy and will actively monitor and track their energy use and they will know what to do when they are over consuming” (Appendix C.1, p1282) is neither specific nor measurable. We recommend rewriting this goal to specify ambitious and quantifiable amounts of energy to be saved and percentages of ratepayers who will monitor and understand their energy use.
- d) Finally, the program should set goals for overall program participation rates and in order to assist in measuring progress towards the PUC Decision that each utility must reach no less than 5% of their customers with behavior change programs. SDG&E should implement aggressive efforts to compel meaningful and widespread participation in behavior change programs/competitions.

Similarly, we recommend raising the bar for SDG&E’s Energy Advisor Program, as it claims to be the “primary mechanism to drive customers to save energy” (Appendix C.1, p9) yet only targets 5,000 customers annually in 2013-14 (Appendix C.1, p11)– barely scratching the surface of PUC-mandated goal to reach no less than 5% of customers with behavior change programs. In addition, the program should evaluate success not only on how well participants “*learned* about advancing whole house energy solutions” (Appendix C.1, p17) and “behavioral solutions” (Appendix C.1, p17), but also how well participants *implemented* those solutions.

Finally, we recommend incorporation of behavior change programs that include deep energy education, as outlined in the following section.

### **B. Promote Lasting Behavior Change via Deep Education Delivered by Trusted Community Messengers in Low-Income Neighborhoods**

We support the IOUs’ plans to coordinate the Statewide WE&T Program with the ESA program and to increase the focus on “expanding behavior modification in existing training program to increase emphasis on energy efficiency practices” (Appendix C.1, p768). However, while we appreciate that contractors, installers, and weatherization crews can play a *supporting* role in disseminating information on energy conservation behavior, we disagree with the implication that they should play the leading role in this task. Not only do contractors and installers generally lack experience in delivering effective behavior change messaging, they are also generally disincentivized by money and time-constraints; their financial interests lie in the installation of energy efficient measures and products, not in behavior change.

Permanent and meaningful behavior change often requires a more time-consuming deep education outreach effort that focuses on building a relationship between a trusted messenger and

the resident over multiple in-home visits, in addition to other forms of communication. This job would be most effectively lead by trusted messengers in the community like community-based organizations and community-based training organizations, as exemplified by EHC's success in this arena.

EHC has performed deep education and outreach for the US Department of Housing and Urban Development (HUD) in our core urban neighborhoods for a decade and we have been a trusted partner in these neighborhoods for 30 years. We hire *promotoras* (community leaders) from the neighborhood to reach out to their peers to improve their health and quality of life, as well as empower families to participate more meaningfully in issues and decisions that affect their lives. Our success in changing behavior, connecting our community members to broader community services, improving family health and increasing awareness and opportunities has received national recognition.

More recently, EHC expanded its HUD Healthy Homes work to successfully integrate peer-to-peer education and outreach related to energy, climate change and green jobs. We use in-home visits, in addition to other methods of outreach and communication, to teach members of our communities how to read their electricity bill, reduce energy use, and apply for and residential retrofit/upgrade services when appropriate. The effort has resulted in documented and significant energy savings by SDG&E. During a recent pilot over a period of six months, 73 of 94 (78%) participating families showed kWh and therms reductions, averaging 26% electricity savings and 28% gas savings.

This personalized outreach and education by a trusted peer is essential for empowering low-income, disadvantaged, and underrepresented communities with all the direct and indirect benefits of energy efficiency, as well as achieving permanent behavior change. Efficiency

without energy behavior education is a wasted opportunity reach full energy reduction potential and to ensuring that all ratepayers benefit.

We urge the SDG&E to invest in this peer-to-peer education and outreach model with trusted messengers and community-based organizations for hard-to-reach communities.

## **V. RESIDENTIAL EE UPGRADE PROGRAMS: ENSURING BENEFITS TO LOW-INCOME COMMUNITIES**

Low-income communities and communities of color are disproportionately affected by the siting of dirty power plants and other pollution sources such as freeways, diesel trucks and industrial pollution,<sup>12</sup> so it only seems fair these communities should be the first to benefit from green investment and green jobs. Unfortunately so far, this is not how the market has unfolded.

EHC appreciates the expanded emphasis throughout the CalSPREE Program on increasing the market reach and deep energy savings of energy retrofit/upgrade work by increasing accessibility to low- and middle-income households and workers, increasing collaborations with trade organizations and community-based organizations, and additional exploring codes and standards.

### **A. Maximize Inclusion of Multi-Family *and Single-Family Rental* Units for Low- and Moderate-Income Households**

Given the very high percentage of multifamily rental units in the low-income communities served by EHC, we strongly support IOU plans to increase access to energy efficiency measures in both rental and multifamily residential units and common areas via the

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<sup>12</sup> Center for Social Inclusion. *Energy Democracy — Supporting Community Innovation*. New York, NY February 2012. <http://www.centerforsocialinclusion.org/wp-content/uploads/2012/02/Energy-Democracy-Supporting-Community-Innovation.pdf>

Multi-Family Energy Efficiency Rebates (MFEER) and Whole Home Upgrade (WHUP) Multi-Family Sub Programs. Extra efforts to include the multifamily sector is important given its large market size and the fact that “historically, owners and managers of multifamily properties have been less responsive to energy efficiency efforts than other residential customers” (Appendix C.1, p72) and renters generally lack the resources and authority to make their own upgrades.

In order to better quantify the benefits of these programs, we recommend adding to MFEER EM&V (Appendix C.1, p83) the consideration of equity in *where* buildings are being upgraded, demographics of building owners and tenants who are benefiting, and demographics of contractors and workers who are performing the work.

In order to maximize MFEER utilization, we recommend amending the “Proposed Program Activity Targets” (Appendix C.1, p78) to include multiple direct communications and increased direct mailings, as contractors are finding that repetition of messaging is critical in realizing program uptake.

In order to maximize reach to low-income rental units, we support keeping the definition of multifamily complexes as those having “two or more dwelling units” (Appendix C.1, 79), as many families in EHC’s core neighborhoods live in 2-4 unit structures that do not often meet the definition of “multifamily” for other benefits programs.

In order to further increase access by low- and middle-income households, CalSPREE must find a way to benefit *renters* living in *single-family* homes. While CalSPREE offers strategies to benefit *multifamily* rental units and *owner-occupied* single-family homes, a solution to benefit *renter-occupied single-family homes* is lacking. This precludes the many low- and moderate-income families renting single-family homes in EHC’s core neighborhoods from fully benefitting from the ratepayer-funded programs.

## **B. MIDI: Expand to MF, Increase Number of Units, and Expand Behavior Change**

We are very supportive of the inclusion of a Middle Income Direct Install (MIDI) program to reach ratepayers whose income is generally insufficient to participate in EUC, while too high to participate in ESAP. Increasing participation by middle-income households is a necessity for California to make the unprecedented levels of energy reduction required to achieve the State's energy efficiency and GHG reduction targets. In addition, middle- and lower-income households have great potential to benefit from energy improvements, including greater energy bill cost savings as a percentage of income, improved health and comfort of the home, and reduced vulnerability to volatile, increasing energy prices.

In order to maximize participation in MIDI, SDG&E's MIDI program should not be limited to single-family homes; it should include multifamily and condominium homes, as in SCE/SoCalGas's programs. In addition, the 1,000 home limit to the two year program should be increased to at least 5,000.

We support SDG&E's emphasis on educating MIDI participants on the work performed and its benefits, as well as on opportunities for additional incentive programs and additional behavioral change education, as EHC has recommended at SDG&E's residential PAG sessions. In order to maximize the behavior change aspect of MIDI, we recommend expanding beyond simply providing participants with "a list of suggested additional measure recommendations and behavioral changes" (Appendix C.1, p1242), to include deep energy education provided by trusted community messengers like community-based organizations, as we discussed in section IV(B) of our comments.

Finally, we urge SDG&E to continue and expand the partnership initiated in the City of San Diego’s MIDI pilot with MAAC Project and other community-based workforce training institutions serving underrepresented communities. This partnership requires MIDI installation contractors and subcontractors to target up to 30% of field staff and apprenticeship opportunities for graduates of MAAC, San Diego Workforce Partnership, Manpower Workforce Readiness Program, and Palomar and Cuyamaca Colleges’ free green training programs.

## **VI. RATINGS, CODES & STANDARDS ARE ESSENTIAL TO TRANSFORMING THE MARKET**

In order to achieve market transformation, we cannot rely on the independent occurrence of a market rebound and interest in new investment; market transformation will require stimulation in the form of government and IOU investment and motivation in the form of new codes and standards, and pushing innovative methods of education and outreach.

Serious changes are needed in the way we value energy and energy saving in order to overcome the market transformation barriers highlighted in the Application, including: “little consumer awareness of the impact their homes have on the environment” (Appendix C.1, p179); “low consumer awareness of incentive programs” (Appendix C.1, p97); “market unawareness of non-economic value to comprehensive energy upgrades”( Appendix C.1, p97); lack of energy efficiency as a driver decision-making among homebuyers (Appendix C.1, p179); and “lack of common home rating protocols and common vernacular for the market to assign value to homes which undergo comprehensive home energy assessments and upgrades” (Appendix C.1, p97).

## **A. Require Stronger Energy Codes and Standards, Including Building Energy Ratings and Valuation of Energy Upgrades at Point-of-Sale**

We support the Application’s assertions that “since IOU incentive and rebate programs typically capture only a small percentage of the market, a transition to regulatory intervention is essential to maximize portfolio energy savings” (Appendix C.1, p692) and that “codes and standards are effective at breaking down market barriers such as split incentives between building owners and tenants that are difficult to overcome through incentive and information programs” (Appendix C.1, p692). We also support regulation as a way to “improve equity in benefits” (Appendix C.1, p692).

An important first step in exploring regulatory options is requiring home and building energy ratings at point-of-sale or lease and creating a standard method of valuation of energy upgrades in selling prices. This incentivizes owners of inefficient buildings to improve their energy use, while rewarding those who have already done so. In fact, reports are showing that homes with even just modest energy ratings sell for higher prices and faster than those with no label.<sup>13,14</sup> Energy labeling and disclosure also allows home buyers to factor into their decision-making the long-term energy costs of a home, similar to a vehicle miles-per-gallon rating on car purchases.

We commend SDG&E’s plans to partner with the City of San Diego in developing a “policy for private sector ‘Green Buildings’ with Net Zero as the goal” (Appendix C.1, p1024), piloting point-of-sale green labeling and implementation home energy improvements (Appendix C.1, p99), as well as working with the realtor, appraisal, and financial communities in supporting opportunities like Green MLS Development and Appraiser Education and Training (Appendix

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<sup>13</sup> Zimring, Mark, et al. Delivering Energy Efficiency to Middle Income Single Family Households. Environmental Technologies Division, Lawrence Berkeley National Laboratory. December 2011.

<sup>14</sup> Harney, Kenneth R. “Energy audits may assist both sides in sale”, *Los Angeles Times*, May 6, 2012.

C.1, p982). We also support SDG&E's plans to develop a HERS Rating Incentive Pilot Program in collaboration with the SDREN.

We further support the Application's plan to provide assistance to governments in developing Reach Codes, including "drafting of model ordinance templates for regional consistency" (Appendix C.1, p699) and support for "local governments that seek to establish residential or commercial energy conservation ordinances for existing buildings" (Appendix C.1, p699).

## **VII. MAXIMIZING EFFECTIVENESS OF LOCAL GOVERNMENT PARTNERSHIPS IN SAN DIEGO**

Local governments have the ability and responsibility to play a major role in engaging broad community buy-in and even transforming the way we think about and use energy. Local governments should inspire their constituency by: leading by example with efficiency upgrades and energy reduction at municipal facilities; infusing our daily lives with energy reduction messaging using innovating marketing tactics, as well as messaging by elected officials, business leaders, community leaders, etc; and transforming the way our society and economy value energy using compulsory action when necessary. It is critical that local governments fully leverage these unique abilities in order to maximize energy savings and benefits for the entire community.

As mentioned in SDG&E's Local Government Partnership (LGP) PIP, EHC participated in SDG&E's Partnerships Program Advisory Group (PPAG) meetings throughout the spring of 2012 (Appendix C.1, p979, 981). Our participation focused on ensuring that Partnerships would capitalize on opportunities to provide extensive energy savings, create a robust energy efficiency

market in San Diego, support widespread adoption of energy conservation behavior, and maximize the benefits of green jobs and green infrastructure for low-income communities. We have incorporated comments on the LGPs in other sections of this document, but we must make some additional points that were not able to be incorporated elsewhere.

**A. EHC Supports Regional Coordination; Urges Inclusion of Underrepresented Workforce and Communities**

We support SDG&E’s plans to coordinate with local governments and “additional regional stakeholders” to form a San Diego Regional Energy Network (SDREN)—“where all partners have an equal vote” (Appendix C.1, p982) — to support “region-wide programs to facilitate ‘deep retrofits’ and broad market transformation in a cost-effective manner (Appendix C.1, p982), including but not limited to a HERS Rating Incentive Pilot. We support the development of SDREN as an expansion of the San Diego Retrofit Advisory Council and urge the continued membership of organizations representing disadvantaged workers and disadvantaged and underrepresented communities.

We further support SDREN’s plans to leverage of economies of scale via multi-jurisdictional procurement of deep retrofits services in municipal facilities, advised by a newly formed Joint Procurement Strategy Working Group (Appendix C.1, p983). This Working Group should include representatives of our disadvantaged and underrepresented workforce and should be tasked with making recommendations for how joint procurement will target hiring of disadvantaged and underrepresented workers.

We also support the Regional Energy Mapping Tool being developed by SDG&E in collaboration with Local Government Partners as a means of helping contractors, lenders, and

other interested parties in more effectively targeting marketing efforts, and we urge the Tool to be released publicly.

### **B. EHC Supports City of San Diego Plans to Tap Existing Building Market with Point-of-Sale Standards**

In examining individual Partnerships, we applaud the City of San Diego’s emphasis on utilizing its unique authority to propose and implement strong and innovative solutions to address existing building energy use, including point-of-sale options and a net zero building policy (p1024), and we look forward to supporting these efforts. We also support the City of San Diego’s plans to benchmark and upgrade its own facilities and explore opportunities for expansion of local, clean DG (Appendix C.1, p1026). We further support plans to educate local elected officials and other decision makers in energy issues, as advocacy and support for energy conservation and efficiency needs to come from all levels in the community, starting with our leaders.

### **C. EHC Supports Free Energy Audits**

We support City of Chula Vista’s plans to offer free energy and IDSM audits to small businesses. As previously mentioned, free and even cash-incented energy audits played a role in Bainbridge Island’s huge energy saving success. We urge other local governments to follow suit, as energy audits/assessments are the first step in moving towards upgrading facilities and improving operational efficiency.

### **D. EHC Urges Port of San Diego to Leverage its Unique Authority over Tenants**

We support the Port of San Diego’s plans to evolve previous successful *municipal* facility upgrade efforts to emphasize deeper retrofits. We urge the Port to compel more serious reductions beyond its own facilities—to include Port *tenants*—because municipal facilities are

only a small fraction of the total energy use and greenhouse gas emissions on Port tidelands. We implore the Port to better leverage its unique authority over its tenants to require building audits and ratings, as well as energy upgrades tied to the lease. We have observed minimal success of the Port's voluntary Green Business Network, with less than 10% of tenants participating and minimal reductions in tenant energy, with the exception of a few exemplary outliers. We are not convinced the voluntary Green Business Network will have increased success in the future and we implore the Port to implement mandatory codes and standards. In the meantime, we urge the Port to set high tenant goals for meaningful tenant participation in the challenge/network, find resources to provide tenants with free energy benchmarking services, and develop either third-party or Port funded financing options to enable tenants to make upgrades.

## **VIII. CONCLUSION**

EHC is dedicated to seeing the state's energy and GHG reduction goals met, alongside the growth of a robust and lasting green economy and energy efficiency marketplace that benefits *all* communities. We are committed to closing the green divide for low-income communities, with green infrastructure and career-track green jobs, and creating healthy and resilient neighborhoods.

In order to realize this vision, we must begin a revolution in how we value our energy and environmental assets, starting with a fundamentally different approach to marketing and outreach, as well as different metrics and accountability for success. We need the full commitment of our utilities, government agencies, elected officials, business leaders, and community leaders, in championing energy conservation and energy efficiency, *and* fully implementing state GHG guidelines and the Loading Order. We need our leaders to lead with

their *actions* and close the disconnect between what state goals and science tell us we must do, and what is actually happening on the ground.

We look forward to doing our share of the work, and to collaborating with the CPUCP, IOUs, and other stakeholders, to make this transformation successful.

Respectfully submitted,

Dated: August 3, 2012

/s/ Nicole Capretz and Kayla Race

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