

R.09-11-014



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

**FILED**  
04-09-12  
04:59 PM

Order Instituting Rulemaking to Examine the Commission's Post-2008 Energy Efficiency Policies, Programs, Evaluation, Measurement, and Verification, and Related Issues.

RULEMAKING 09-11-014  
(Filed November 20, 2009)

**Comments of California Center for Sustainable Energy in response to  
Proposed Decision Providing Guidance on 2013-2014 Energy Efficiency  
Portfolios and 2012 Marketing, Education, and Outreach**

**California Center for Sustainable Energy**

**April 9, 2012**

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**I. INTRODUCTION**

The California Center for Sustainable Energy (CCSE) is pleased to provide comments in response to the *Proposed Decision Providing Guidance on 2013-2014 Energy Efficiency Portfolios and 2012 Marketing, Education, and Outreach* (“Proposed Decision”). We applaud the Commission for its insightful and timely efforts to transition the energy efficiency portfolios towards long-term, deeper savings and for recognizing the important roles played by local governments and other non-utility actors in the energy efficiency landscape. We appreciate the thoroughness with which the Commission addressed the many facets of the energy efficiency portfolio, and we direct our comments on the following components of the proposed decision, as presented:

- General Comments
- Statewide Marketing, Education, and Outreach
- Energy Upgrade California
- Local Government Regional Energy Efficiency Pilots

## II. GENERAL COMMENTS

CCSE is a mission-driven 501(c)(3) non-profit, based in San Diego, founded in the wake of California's electricity deregulation under a Memorandum of Understanding (MOU) between the San Diego Association of Governments (SANDAG), San Diego Gas and Electric Company (SDG&E) and the San Diego State University Foundation. Since our founding, we have grown considerably, developing competence across the clean energy spectrum. Our staff of 85 professionals is focused on creating a sustainable energy future for all Californians.

We commend the Commission's substantive consideration of input from the wide array of parties and stakeholders within the energy efficiency realm, which is evident in the content of the Proposed Decision. The ever-increasing number of parties to this proceeding itself is testament to the success of California's energy efficiency programs in reaching so many different sectors of the state's economy and industry.

CCSE appreciates the Commission's explicit treatment of the 2013-2014 energy efficiency ("EE") program cycle as a "transition" portfolio, "marked by a trending away from... individual measures or types of measures with relatively short design lives to programs and initiatives that encourage utility customers to adopt more comprehensive 'suites' of measures that are characterized by deeper, longer-lasting savings"<sup>1</sup> as opposed to a bridge period that seeks to maintain the status quo. The focus on deeper retrofits and longer-term energy savings is both welcome and necessary in order to achieve California's ambitious energy savings goals. We also recognize the inherent complications that arise as these deeper savings efforts meet with the realities of near-term cost-effectiveness requirements. As the energy efficiency portfolios begin to transition away from the "low-hanging fruit" of simpler measures, such as CFL

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<sup>1</sup> *Proposed Decision Providing Guidance on 2013-2014 Energy Efficiency Portfolios and 2012 Marketing, Education, and Outreach (Proposed Decision)*, March 20, 2012, pages 10-11.

programs, and towards whole building performance retrofits, the Commission will likely need to revamp its cost-effectiveness policies and criteria in order to provide the policy framework necessary to drive these deeper savings efforts. Absent such change, the IOUs (and any other entities that may be permitted attribution rights in the future) are likely to feel pulled in multiple directions, to the detriment of the portfolio's success in achieving the Commission's goals. The Proposed Decision rightly alludes to some potential changes in section 4.2.6 Issues to be Considered in Future Proceedings (p. 39). We look forward to participating in such proceedings.

### **III. STATEWIDE MARKETING, EDUCATION, AND OUTREACH**

CCSE is pleased that the Commission clearly sees the value in and need for a statewide marketing, education, and outreach (ME&O) campaign to engage Californians across IOU territories with broad messages that drive customers to their respective IOU's various energy efficiency, demand response, and distributed generation incentive programs. We further humbly appreciate the Commission's decision to task CCSE with the role of statewide ME&O implementer for the 2013-2014 transition portfolio, and the Commission's assessment of our suitability for such a role at this critical time.<sup>2</sup> Moreover, we emphasize that as a single-purpose nonprofit organization we share the statewide ME&O vision in the Long Term Energy Efficiency Strategic Plan,<sup>3</sup> and consider active support of it as core to our mission. This opportunity to support that vision more broadly and directly with the IOUs, the CEC, and other committed stakeholders under the oversight and direction of the Commission is an exciting challenge, for which all of our previous experience has prepared us and for which we are uniquely positioned to add value as a coordinating leadership entity.

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<sup>2</sup> *Id.* at 39.

<sup>3</sup> *Id.* at 295-296.

We therefore direct our comments regarding the statewide ME&O program as follows:

- Vision for a statewide ME&O campaign
- Requirements for success
- Recommended process and timeline
- Budget considerations
- Transition in 2012

### **Vision for a statewide ME&O campaign**

CCSE agrees with the Commission's view that "the key to the next generation of ME&O is to create a consumer experience that offers an integrated set of DSM information and program options that are clear, relevant to the consumer and accessible to all Californians."<sup>4</sup> We characterize that idea as engaging Californians as citizens first and customers next and placing an emphasis on "the why," by which we mean the context or relevance of various energy-saving or demand-reducing measures or programs. We all need to consume energy to engage in contemporary society and we also all need a clean and habitable environment to continue enjoying our characteristic high quality of life in California; this in turn requires a reliable grid that can incorporate distributed and renewable generation and electric vehicles. Considering our state's extraordinary natural resources and increasing emphasis on renewable energy generation and greenhouse gas reduction, as well as our long-standing leadership on maintaining low per-capita energy use, we have a legacy as Californians that statewide ME&O efforts can leverage and build upon. Thoughtful use and development of our resources is not just our history; it's also our key to future prosperity as California embraces the opportunities of leadership in the transition to a low-carbon economy.

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<sup>4</sup> *Id.* at 80.

A statewide ME&O campaign does not supplant IOU customer marketing, but supports and extends it with a coordinating brand: Energy Upgrade California, through which residential and small business consumers can engage in action related to their energy consumption and find the program they most need from their utility. Successful implementation of the Energy Upgrade California brand will require creative and targeted deployment that is research based and data driven, makes smart use of the existing market segmentation analysis, and leverages further research on barriers and benefits for and segmentation of various residential and small business consumers.

The use of the Energy Upgrade California brand benefits from its current emphasis on a broad range of market actors as partners in IOU- and ARRA-funded Energy Upgrade California ME&O campaigns. Various professionals who serve the residential and small commercial market, from HVAC and home performance contractors to retailers to realtors, have already been engaged in helping to promote this brand to its target residential audiences, and have shared ownership of the brand through co-operative marketing efforts. We note also that Massachusetts provides a good example for California in that its home performance program brand was adapted for use as a statewide umbrella brand, covering all energy efficiency programs and services from all utilities and providers: Mass Save.<sup>5</sup>

CCSE is pleased that most of the IOUs and so many other parties embrace the importance of a statewide ME&O brand. Continuing to gain greater savings and increased participation in programs that include more systems-based approaches, especially those aimed at residential and small business consumers, will require greater communication to Californians of the individual and shared benefits of such programs. We are particularly excited to work with the IOUs on the Commission's objective that

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<sup>5</sup> <http://www.masssave.com/>

IDSMS marketing move toward complete integration under the Energy Upgrade California brand umbrella.<sup>6</sup> Also, we look forward to educating Californian consumers about the concepts of dynamic rates via statewide ME&O.<sup>7</sup> Furthermore, we recognize that the IOUs have made significant investment of time and resources in their IDSMS integrated audit tools this year, and we look forward to working with their local marketing efforts to drive residential and small business consumers toward these customer relationship management systems. Consumers will better understand their energy use itself, and more easily identify the programs best suited for their needs.

CCSE looks forward to coordinating at the Commission's direction with ED staff, the IOUs, the Energy Commission, local governments, market actors, regional academic and nonprofit educational institutions and other engaged stakeholders.

### **Requirements for success**

In our initial and reply comments to the Assigned Commissioner's Ruling regarding the Statewide Marketing and Outreach Program, CCSE noted some caveats to the statewide ME&O brand that must be addressed for success. These include:

- One party responsible to the Commission and recognized by all stakeholders
- Flexibility in brand management processes for agile market responses
- Cooperation of all parties supporting the Energy Upgrade California brand
- Coordination and clarity of brand hierarchy with other energy brands, including other statewide and regional efforts and especially the IOU brands

CCSE understands that per this proposed decision we will be the responsible party to the Commission for leadership and oversight of the statewide brand. Success of

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<sup>6</sup> A.11-03-001, *Alternate Proposed Decision of Commissioner Mark J. Ferron to the Proposed Decision of Administrative Law Judge (ALJ) Kelly A. Hymes, March 20, 2012*, page 84.

<sup>7</sup>*Id.* at 91.

this effort will depend on the full support and cooperation of the many stakeholders involved, most especially the IOUs, and will require an oversight process with the CPUC that enables CCSE and its partners to respond quickly to marketplace opportunities. CCSE agrees with the Commission that the prior research that supported development of Engage 360 should be used. We found great value in the market segmentation analysis done as part of that development and generally supported the fundamental intention of Engage 360, including the use of community-based social marketing, influencer theory and other behavioral and social marketing insight. We would like to keep these elements active in the next iteration of Energy Upgrade California, and will endeavor to leverage new learning in these areas with existing successful efforts around energy and sustainability in California rather than replace these building blocks, networks and relationships.

Additionally, CCSE now points to other criteria that are also necessary for success of the Energy Upgrade California umbrella brand effort, some of which the Commission has already addressed. We expect more criteria may be identified during subsequent stakeholder discussions. For now, CCSE identifies the following:

- Well-defined processes and governance of the brand to ensure that all stakeholders are stewarding it appropriately and that it is meeting the Commission's objectives
- Clear criteria for success from the Commission and clear indicators of success determined with the IOUs to ensure that the brand is meeting objectives and working well with local ME&O efforts
- Adequate budget to support the goals and expectations of the brand, especially as they include traditional, costly marketing approaches such as advertising
- Full access to and use of all market and demographic research that supported development of the Engage 360 and Energy Upgrade California brands

- Emphasis on behavioral and social marketing techniques, and willingness to test these on a targeted basis with the latitude to quickly change direction as needed
- Use of the Green Button Initiative and collaboration with the private sector to innovate new approaches to engaging consumers in energy action
- Access to consumer data as necessary for targeting and impact measurement of Energy Upgrade California campaigns
- A comprehensive analysis of all consumer websites managed by stakeholders including Engage360, Energy Upgrade California, the Consumer Energy Center, Go Solar California, Cool California, the IOU websites and others as identified
- Consolidation of duplicative efforts and elimination of marketing that would be redundant to statewide ME&O efforts, as per Commission direction in Commissioner Ferron's Alternate Proposed *Decision Adopting Demand Response Activities and Budgets for 2012 through 2014*, Section 7.2
- Collaboration with local governments, local businesses and regional organizations to enable and harness local grassroots energy campaigns
- Collaboration with the IOUs, CAISO and other stakeholders to coordinate the two statewide Energy Upgrade California and Flex Alerts efforts especially as related to earned, paid and social media placement during Flex Alert events
- Coordination with IOU Workforce, Education and Training (WE&T) efforts, especially the shared goal of a statewide K-12 curriculum, related to the statewide ME&O effort.<sup>8</sup>

### **Recommended process and timeline**

In the Proposed Decision, the Commission articulated its desire for the IOUs to each file applications, separate from their overall portfolio applications, outlining their

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<sup>8</sup> *Long Term Energy Efficiency Strategic Plan*, Section 10, page 78.

proposals for the statewide ME&O program no later than August 3, 2012.<sup>9</sup> We recognize that the IOUs likely will need to consider the role of statewide ME&O in their program applications, and therefore, we believe there is a need for further and immediate stakeholder engagement and alignment related to statewide ME&O programming. We propose the Commission hold one or more workshops on the topic, to be convened in a timely manner prior to the July 2<sup>nd</sup> application deadlines for the IOU portfolios. These workshops would serve as a forum for the IOUs to present their ideas for statewide ME&O activities and for all parties to provide input on strategy, process and activities and could inform how the IOUs account for statewide ME&O in their program applications. CCSE could assist the Commission in facilitating these discussions, pending a contract with PG&E as discussed in the transition section below.

The workshops would be doubly relevant for informing the IOU ME&O applications due August 3, 2012. In addition to the criteria outlined by the Commission,<sup>10</sup> CCSE suggests that the IOUs include the following in these applications:

- Major IOU marketing, education and outreach goals for 2013 and 2014
- Key messages for 2013 and 2014 related to goals and local initiatives that would especially benefit from statewide ME&O support
- Budgetary guidance
- Indications of how CCSE can implement statewide ME&O to best support each IOU's needs in its territory with special emphasis on EE and DR goals
- Performance metrics for statewide ME&O as directed by the decision

After the comment period for the ME&O applications, CCSE would then use the applications and comments as input to its Statewide ME&O Implementation Plan,

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<sup>9</sup> *Proposed Decision* at 376.

<sup>10</sup> *Id.* at 406, Ordering Paragraph 115.

which CCSE would submit to the Commission in the form of an Advice Letter to be filed by CCSE no later than 30 days after the ME&O application process concludes. The Advice Letter would contain CCSE's plan for implementation of the statewide ME&O program and would outline an agile, transparent and inclusive stakeholder engagement process, including quarterly taskforce meetings and other related details.

We believe the steps outlined above will facilitate an expedited yet open process for all interested parties to the 09-11-014 proceeding and will assist the Commission during this transitional period in quickly establishing a robust foundational record for this and future statewide ME&O discussions. To summarize, CCSE proposes the following process/timeline with regards to the statewide ME&O program development:

- May 1- June 30: Hold one or more workshops on statewide ME&O to build the record and inform IOU statewide ME&O applications
- July 2: Program applications due from IOUs
- August 3: Statewide ME&O applications due from IOUs
- Within 30 days of Commission approval: CCSE files Advice Letter with the Commission, outlining its implementation plan for statewide ME&O
- Upon Commission approval of Advice Letter: CCSE begins implementation of statewide ME&O

### **Budget considerations**

CCSE is concerned that the statewide Energy Upgrade California ME&O brand has appropriate budget to meet its objectives. To that end, we have considered a variety of related statewide energy brand initiatives and their associated budgets.

The coordinated statewide ARRA-funded ME&O effort for Energy Upgrade California was split among providers for an eighteen-month program period with budgets totaling about \$7 million for ME&O plus about \$4 million to develop,

customize and maintain the web portal.<sup>11</sup> Additionally, various local governments also had significant additional ME&O funds to spend in their jurisdictions directly. Further, the Better Buildings Neighborhood program is conducting ME&O pilots and workforce development largely in support of the Energy Upgrade California brand across Los Angeles, the Bay Area, San Diego, and Sacramento with \$30 million in total grant funding over a thirty-six month period that ends in mid-2013. Ratepayer-funded Energy Upgrade California ME&O was budgeted at about \$6 million for 2010-2012.<sup>12</sup>

During its first two years of implementation, Flex Your Power was funded at about \$110 million by the legislature and focused on conservation and load-shifting in response to the energy crisis. In 2003, FYP was moved more directly under the auspices of the Commission with a focus on energy efficiency and funded at \$15 million with about \$11 million of that going to mass market advertising.<sup>13</sup> The statewide ME&O effort known as Engage 360 had \$60 million over the course of three years. In the proposed decision, the Commission allocates \$5 million for three quarters remaining in 2012 to Energy Upgrade California ME&O for transition to the statewide brand. Also in 2012, the Commission has proposed \$10 million for the statewide Flex Alerts emergency response budget.<sup>14</sup>

ME&O for the California Solar Initiative for local and statewide collaboration is \$15 million for the program's ten-year duration.<sup>15</sup> Related to this effort, the New Solar Homes Partnership (NSHP) program under the auspices of the CEC spent about \$4

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<sup>11</sup> California Energy Commission Contract 400-10-004 to support Energy Upgrade California

<sup>12</sup> *2010-2012 Energy Efficiency Portfolio PIP Statewide Program Prescriptive Whole House Retrofit Program*, at 1.

<sup>13</sup> *Best Practices Benchmarking for Energy Efficiency Programs. Summary Profile Report 14: Flex Your Power*. <http://www.eebestpractices.com/>

<sup>14</sup> *Alternate Proposed Decision of Commissioner Mark J. Ferron to the Proposed Decision of Administrative Law Judge (ALJ) Kelly A. Hymes*, page. 2

<sup>15</sup> Decision 11-08-019

million in statewide ME&O activities 2007-2009.<sup>16</sup> The CSI-Thermal program has allocated \$5 million for a coordinated statewide ME&O campaign for 2011-2013.<sup>17</sup>

Many of these statewide budgets are for single programs or narrow uses, such as single-family solar marketing or emergency Flex Alerts, whereas the scope set forth by the Commission for the Energy Upgrade California brand is broad and seeks to reach the fragmented residential and small business audiences. At the same time, CCSE recognizes that this effort is intended to more cost-effectively coordinate statewide ME&O. Moreover, we recognize that the scope of the statewide ME&O effort needs to be further defined by the stakeholders over the next few months. Based on the amounts dedicated to other programs and considering the Commission's goals, CCSE respectfully asks that the budget be allocated as a full sum for the two-year transitional period rather than annual totals, and that the budgeted amount account for the full scope of the statewide ME&O effort as discussed in the proposed decision.<sup>18</sup>

CCSE looks forward to the stakeholder process necessary to create an effective transitional statewide ME&O campaign. Based on our understanding of the scale of this effort and the examples of previous and related efforts; and pending the Commission's final determination of scope for the Energy Upgrade California brand and potential desire for mass media elements, we suggest an effective budget would likely be in a range of not less than \$15 million and not more than \$40 million for the two-year transitional period.

### **Transition in 2012**

CCSE recognizes that timeliness is important for both continuing support for the

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<sup>16</sup> CSI Staff Proposal, July 23, 2010 at 57.

<sup>17</sup> CSI-Thermal Revised Market Facilitation Guidance Memo, 11/4/10. Pg. 4.

<sup>18</sup> *Proposed Decision* at 293.

Energy Upgrade California home performance effort and beginning the expansion of the Energy Upgrade California brand to fulfill the goals of statewide ME&O, as defined in the Energy Efficiency and Demand Response proceedings. We wish to get to work as soon as possible. Also, we note that critical assessment of the various extant websites, including Engage 360 and Flex Your Power as well as Energy Upgrade California and other various downstream Energy Upgrade California-oriented sites could be undertaken by CCSE directly and begin right away. We read little disagreement in previous comments with the Commission's statement of the importance of consumer-oriented, statewide-oriented energy websites in support of the Energy Upgrade California website as "a one-stop-shop for demand-side program and generalized energy education information for residential and small business consumers"<sup>19</sup> Therefore, we respectfully request that contracting for statewide ME&O begin as soon as this decision is finalized and that a portion of the \$5 million allocated to transition of the Energy Upgrade California brand in 2012 be allocated to CCSE to begin work on the web portal assessment, the statewide program implementation plan, engagement and transitional partnerships with stakeholders and any other planning tasks as directed by the Commission. The amount allocated would depend on the scope of work determined for 2012 and need not exceed \$500,000.

CCSE anticipates that there may be some level of discomfort on the part of certain parties with direct Commission selection of an implementer for the statewide ME&O activity. In consideration of these potential concerns, we point out the following: a) time is of the essence, and there is still a great deal of work to be done in a very short timeline if programs are to begin on schedule; b) given the structural requirements for this entity, the Commission would likely need to run any RFP directly itself, rather than

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<sup>19</sup> *Id.* at 300.

delegate the RFP process to one or all of the IOUs; and c) no other obvious entity exists with the sector experience, market knowledge and history of responsiveness to the Commission's direction within the statewide ratepayer-funded program environment. We agree with the Commission that an intermediate entity is desirable and needed in this process and we take our appointment to this task very seriously and with humility. We look forward to working alongside the IOUs and other stakeholders to deliver a consumer-oriented, coordinated statewide ME&O program during this transitional period.

#### **IV. ENERGY UPGRADE CALIFORNIA**

CCSE appreciates the Commission's thoughtful consideration of parties input regarding the future of Energy Upgrade California. We are pleased with the commitment to support Energy Upgrade California as a long-term, 10-year market transformation effort, since reaching the aggressive energy efficiency goals set by the Commission in the Long Term Energy Efficiency Strategic Plan is impossible without this whole-building approach to residential and small commercial energy efficiency. We agree with the Commission's proposal to expand the role of local governments and increase emphasis on workforce training within the Energy Upgrade California program. CCSE has been the hub of these efforts in the San Diego region, and it is from our experience in both developing and implementing these programs on the ground that we offer the following comments.

##### **A. HVAC Program and Incentives**

With respect to HVAC in the Energy Upgrade California program, CCSE agrees with the Commission that a fast track approval process is an important step to increase the volume of emergency HVAC change-outs turning into Energy Upgrade California projects. We agree with BPI and PG&E that any fast track approval and streamlining of

job submittals should only be available to those contractors who have demonstrated a high level of performance and quality. At the same time, a less onerous approach to Energy Upgrade California job submittals across the board is needed in order to meet the needs of all participating contractors' sales process. Energy Upgrade California must create a streamlined process flow while maintaining a focus on quality assurance and customer safety, the combination of which will ultimately result in increased participation by both contractors and residents. By reducing the administrative burden on contractors, Energy Upgrade California can minimize interference in a contractor's sales process, and in turn create greater opportunity to meet the state's overall goals for whole-house retrofits contained in both the Energy Efficiency Strategic Plan and AB 758. Such a streamlining process across local governments could be a ripe task for the newly proposed regional energy pilots discussed in the Proposed Decision. We also point out that a similar process is already underway focusing on permitting and interconnection issues around small-scale DG, involving a variety of local governments as well as industry groups, investor-owned and municipal utilities, the two commissions and the Governor's office. There are certainly opportunities for collaboration or coordination with that stakeholder group.

#### **B. HERS and Approved Software**

CCSE agrees with the commission when it states, "further marketplace testing and development of a home assessment and rating system has great value to California and to long-term residential market transformation goals."<sup>20</sup> CCSE further suggests that additional program development for both software and Home Energy Rating systems is necessary in order both to reduce the administrative burden on the contractor job submittal process and to more accurately reflect actual energy savings as opposed to

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<sup>20</sup> *Id.* at 180.

estimated or average savings. As stated in the Proposed Decision, consistent data reporting requirements will be necessary for inclusion in all approved software. CCSE commends the Commission for its guidance on this matter, and specifically appreciates the recommendation for staff and the IOUs to gather input related to the four potential attributes of Energy Upgrade California software, found on page 189-190 of the Proposed Decision.

### **C. Plug Loads and Appliances**

CCSE agrees with the Commission that a greater emphasis on and inclusion of plug loads, appliances, electronics and lighting in Energy Upgrade California is necessary in order to make Energy Upgrade California a truly “whole house” program. We further agree with BIG that utilizing the nationally recognized Energy Star label is a step in the right direction. The Commission rightly recognizes the need to integrate residential plug load and appliance programs; indeed California’s longstanding Title 20 leadership places the state in an excellent position to take the next, programmatic, step. This coordinated development can afford communities in varying climate zones an opportunity to maximize energy efficiency improvements while continuing to reduce the complexity of multiple programs.

### **D. Workforce Training**

CCSE agrees with CBPCA and BIG that building science classroom training alone is insufficient to develop a mature home performance industry. Soft skills, including business and sales development are crucial elements for market transformation to occur in practice. Further, we view mentoring and hands-on retrofit training as critical to further developing an industry that consistently achieves high performance quality and safety standards. Building Science classroom training is one component to a fully functioning Home Performance Industry. A workforce that is

adequately prepared to embody and communicate the wide range of benefits of the whole house approach to their clients is further reinforced by an Energy Upgrade California program containing high quality standards, recognized and developed to maximize energy reduction in California's building stock. As we move to include Energy Star rated appliances into Energy Upgrade California, we must continue to raise the standards of our Workforce Training. CCSE's contractor field mentoring program was developed in concert with Home Performance with Energy Star standards, and we anticipate that additional program development will further enable those participating contractors to leverage this nationally recognized brand.

#### **E. Long Term Commitment and Stepwise Declining Incentive Approach**

CCSE applauds the Commission's long term commitment to Energy Upgrade California and the stability that this commitment provides to the developing Building Performance Industry. We recommend that any adjustment to the incentive structure should additionally require guidance and input from a broad base of industry experts in collaboration with the IOUs. This crucial stakeholder engagement could be facilitated through continuation of the Energy Upgrade California Steering Committee under the auspices of the Commission and in partnership with the California Energy Commission.

### **V. LOCAL GOVERNMENT REGIONAL ENERGY EFFICIENCY PILOTS**

CCSE fully supports the Commission's direction to increase the level of participation of local governments throughout the state. In previous comments to this proceeding we have highlighted the vital role local governments play in the energy efficiency arena, as well as their need for more autonomy and resources to reduce energy consumption in their own operations and to aggressively facilitate fundamental changes in the energy usage of their constituencies and communities at large. We find it

timely and encouraging that the Commission states, “While we decided to forego local government program administration in 2005, we believe enough has changed over the last seven years to warrant revisiting this issue in light of the potential benefits and alternative administrative structures as described in recent party comments.”<sup>21</sup> We also recognize that the current IOU local government partnerships (LGPs) structure varies widely among IOU service territories and individual partnerships. We therefore emphasize the regional pilots’ role as complementary to, rather than replacing, the LGP structure, particularly in those jurisdictions where IOUs and local governments work most collaboratively together, resulting in outcomes that truly help both parties reach their respective energy goals in a more equal partnership structure.

Regional local government pilot programs are ideal vehicles to carry forward the important deep retrofit groundwork established by local governments with ARRA funds. This foundation of education, workforce training, financing, and outreach has formed the backbone supporting Energy Upgrade California throughout various regions of the state. Local governments are in a unique position—indeed, are in fact legally tasked—to holistically address energy usage in their communities, for example in their climate action plans and sustainability objectives articulated in their general plan updates. Local governments actively seek and leverage other funding sources to efficiently generate deep energy savings in concert with their other jurisdictional objectives. Leaving them without connective and gap-filling resources would undercut the Commission’s objectives in practice. We commend the Commission for illuminating a path for local governments to directly propose regional pilot programs, and we look forward to supporting the implementation of such efforts.

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<sup>21</sup> *Id.* at 144.

## VI. SUMMARY

We are pleased and excited with the overall direction the Commission has articulated for energy efficiency programs in this Proposed Decision. We are equally appreciative of the Commission's naming of CCSE as the statewide ME&O program implementer for the upcoming transition portfolio. In these comments, we have described our vision related to statewide ME&O and have sought to define a process for the development of this program in order to ensure its timely public launch in 2013. We look forward to working with the Commission, staff, IOUs and other relevant stakeholders to drive the necessary market transformation efforts forward towards the sustainable achievement of California's long-term energy and climate goals.

## VII. CONCLUSION

CCSE thanks the Commission for the opportunity to provide these comments regarding the Proposed Decision.

April 9, 2012



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