

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA



FILED

05-30-12
04:59 PM

Application of Southern California Edison Company (U338E) for Approval of its 2012-2014 California Alternate Rates for Energy (CARE) and Energy Savings Assistance Programs and Budgets.

Application 11-05-017
(Filed May 16, 2011)

Application of Southern California Gas Company (U904G) for Approval of Low-Income Assistance Programs and Budgets for Program Years 2012-2014.

Application 11-05-018
(Filed May 16, 2011)

Application of Pacific Gas and Electric Company for Approval of the 2012-2014 Energy Savings Assistance and California Alternate Rates for Energy Programs and Budget (U39M).

Application 11-05-019
(Filed May 16, 2011)

Application of San Diego Gas & Electric Company (U902M) for Approval of Low-Income Assistance Programs and Budgets for Program Years 2012-2014.

Application 11-05-020
(Filed May 16, 2011)

**Brightline Defense Project and Green For All's Reply
to Opening Comments on the Proposed Decision**

Katherine Daniel
Green For All
1611 Telegraph Ave.
Suite 600
Oakland, CA 94612
Telephone: 510-271-9849

Joshua Arce
Eddie H. Ahn
Brightline Defense Project
1028A Howard Street
San Francisco, CA 94103
Telephone: 415-252-9700
Facsimile: 415-252-9775

May 30, 2012

Introduction

Pursuant to Rule 14.3 of the California Public Utilities Commission's (CPUC or "the Commission") Rules of Practice and Procedure, Brightline Defense Project and Green For All reply to opening comments on the Proposed Decision (PD) regarding the applications for approval of the 2012-2014 Energy Savings Assistance (ESA) and California Alternate Rates for Energy (CARE) Programs and Budgets of Southern California Edison Company (SCE), Southern California Gas Company (SoCalGas), Pacific Gas and Electric Company (PG&E) and San Diego Gas & Electric Company (SDG&E) (collectively "IOUs"). Specifically, we disagree with a key recommendation set forth by SCE, which would affect issues raised by Green For All and the Greenlining Institute (Greenlining) on ESAP Workforce Education & Training (WE&T) issues.

I. The Commission Should Designate an Appropriate Facilitator and Define Its Role for Managing the WE&T Working Group.

SCE suggests that IOUs or the Energy Division should manage the working groups.¹ Although IOUs and the Energy Division are valued stakeholders in these working groups, they are only a few of the many stakeholders in WE&T, which also include training providers, labor, contractors, workforce development organizations, community members, and advocacy groups.² Moreover, a facilitator for the WE&T Working Group should be without direct vested financial interest in implementation of this working group's recommendations. Charged with implementing training programs, IOUs would thus not be an appropriate facilitator for WE&T issues. We ask that the Commission clarify this and offer guidance as to what entity would be an appropriate facilitator for the working group.

We believe that the Greenlining Institute would be the ideal facilitator for managing the WE&T Working Group. While the Commission may not possess the statutory authority to compel an outside authority to manage the WE&T Working Group,

¹ Janet Combs and Monica Ghattas, "Southern California Edison Company's (U338-E) Opening Comments to the Proposed Decision on Large Investor-Owned Utilities' 2012-2014 Energy Savings Assistance (ESA) (Formerly Referred to as Low Income Energy Efficiency or LIEE) and California Alternate Rates for Energy (CARE) Applications," 5/24/2012, pp. 2, 8.

² Kat Daniel, Green For All Written Opening Comments to the Proposed Decision, Applications 11-05-017, 11-05-018, 11-05-019, 11-05-020, 5/24/12, p. 3.

we support Greenlining as the solicitor and facilitator for the WE&T Working Group if it is willing to do so.³ Greenlining possesses both the respect of many diverse stakeholders and a depth of understanding on WE&T issues. As a facilitator, Greenlining will thus best be able to balance different interests within the WE&T Working Group, which goes beyond the traditional workshop model in resolving a particular issue.

To assist Greenlining in managing this working group, the Commission should also further define the role of an appropriate facilitator. To this end, Green For All has called for further elaboration on the process for the formation of the working group, as well as implementing its recommendations.⁴ Greenlining has made similar comments to this effect.⁵ As NRDC also notes, investing in the design of a series of independently facilitated working groups will lead to a collaborative approach in resolving both program design questions as well as policy issues and will reduce the burden on the Energy Division.⁶

II. The Commission Should Establish Specific Data Collection Practices and Job Placement Strategies that Will Guide the WE&T Working Group.

In addition to guidance around selecting a working group facilitator, we urge the Commission to offer clear directives to guide all interests represented within the WE&T Working Group toward reaching solutions. To establish this framework, the Commission should thus elaborate on ESAP data collection practices and job placement strategies.

A. The Commission Should Require Tracking of Workers' Demographic Data and Ensure Regular Reporting.

Detailing specific workforce data collection practices is essential to clear guidance for the WE&T Working Group. Green For All specifies “demographic and other pertinent information related to determining how many and what kind of

³ SCE, p. 8. See also, PD, pp. 238-239.

⁴ Green For All, p. 3.

⁵ Enrique Gallardo and Ryan Young, The Greenlining Institute's Opening Comments on the Proposed Decision, Applications 11-05-017, 11-05-018, 11-05-019, 11-05-020, 5/24/12, pp. 13-14.

⁶ Lara Ettenson, Reply Comments of the Natural Resources Defense Council (NRDC) on the Proposed Decision Providing Energy Efficiency Program Guidance for 2013-2014, R. 09-11-014, 4/16/12, p. 2.

opportunities are in fact being offered to displaced and disadvantaged workers, in addition to the six WE&T areas described in the PD.”⁷ Greenlining also enumerates a number of data points, such as “workers’ low-income and disadvantaged status...[including] race; gender; age; homelessness; parenting status; public assistance received; educational level attained; formerly incarcerated, adjudicated, and non-violent offenders; those suffering from chronic under/unemployment; disabled and returning veterans; limited English speakers or those that speak English as a second language.”⁸ Precise identification of workers’ backgrounds and their progress will help the Commission determine if IOUs and contractors are meeting the California Long Term Energy Efficiency Strategic Plan (EESP) goals. These data points are essential to tracking and organizing WE&T programs by target populations and backgrounds.

We also agree with Greenlining’s position that data collection should be a regular ongoing activity after the preliminary report with such activity as annual.⁹ Annual reporting and demographic data collection practices are standard on workforce development issues. On March 27, 2012, the San Francisco Office of Economic and Workforce Development issued a 2011-2012 Annual Report to the San Francisco Board of Supervisors on San Francisco’s Local Hiring Policy for Construction. To provide “only an indication of the preliminary impact of the City’s new legislation,” the report compiled early findings for preliminary data for 22 active public works projects and tracked 75,994 craft hours.¹⁰ This detailed report demonstrates not only the necessity for tracking local hire and targeted hire numbers, but also the success of such job placement strategies. For workforce development strategies, annual reporting is a standard practice that can help the Commission assess whether IOUs and subcontractors are meeting the EESP’s job quality and job access goals.

B. The Commission Should Direct the WE&T Working Group and the Energy Division to Pursue “Demand-Pull” Strategies and Goals.

The WE&T Working Group can also help IOUs proactively anticipate and plan for

⁷ Green For All, p. 2.

⁸ Greenlining, p. 11-12.

⁹ Greenlining, p. 12.

¹⁰ San Francisco Office of Economic and Workforce Development, “San Francisco Local Hiring Policy for Construction, 2011-12 Annual Report,” 3/27/12, pp. 4-5, 12-13.

future workforce needs if the Commission directs IOUs and contractors to move beyond “good faith” efforts. In other words, the Commission should require that the IOUs create a responsive plan for targeted hiring of workers from training programs and disadvantaged communities.¹¹ In prior discussions, Green For All and Brightline Defense Project have brought up the subject of creating equitable access to high-road jobs and strategies to ensure such access.¹² As Greenlining further notes in its opening comments to the PD, local and targeted hiring policies are “demand-pull” strategies that spur more job placement from targeted communities.¹³ Targeted and local hire can then lead to a virtuous cycle of more job placement as training partners in the sector strategies continue to provide skills to trainees to enter and advance within the sector to achieve sustainable and rewarding careers in energy efficiency envisioned by EESP.¹⁴

“Demand-pull” strategies have been proven to work as recent success stories have arisen from San Francisco’s first year of implementing its local hire requirements. Prior to the December 2010 adoption of the local hire law, the City included, on average, only 20% local residents on taxpayer-funded construction.¹⁵ One year after the law went into effect on March 25, 2011, local resident participation on the same construction projects has jumped to 34%, an increase of 70% above “good faith” levels.¹⁶ Moreover, 68% of the apprentice hours have been performed by San Francisco residents.¹⁷ “Demand-pull” can thus simultaneously stimulate the recruitment and employment of workers from disadvantaged communities and build a pipeline of new highly trained workers for contractors participating in the IOU’s energy efficiency portfolios.

To bolster the sustainability of targeted and local hire, we affirm Greenlining’s

¹¹ Conclusion of Law 83(6) should be amended: “~~Consider~~ Require possible pilot programs (as recommended in the Needs Assessment) to test new quality standards for ESA Program weatherization projects accompanied by necessary training, increased pay for performance for contractors, and links to job placement for completing the training...” See PD, p. 154.

¹² Written Testimony of Intervenors Green For All and Brightline Defense Project Appendix 2: Clean Energy Works Oregon High Road Standards and Appendix 3: Community Power Works Seattle High Road Agreement.

¹³ Greenlining, p. 13.

¹⁴ Greenlining, p. 13.

¹⁵ San Francisco Chronicle, “S.F. Local Hire Law Passes 1st ‘Test,’ Backers Say,” John Coté, March 28, 2012. Available at: <http://www.sfgate.com/cgi-bin/article.cgi?f=/c/a/2012/03/27/BALA1NPK9N.DTL&ao=all>

¹⁶ “San Francisco Local Hiring Policy for Construction, 2011-12 Annual Report,” pp. 4-5.

¹⁷ Greenlining, p. 5.

recommendation that the Commission should better integrate ESAP and the mainstream EE program.¹⁸ As noted in Brightline’s Prehearing Conference Statement citing a key labor report, thousands of graduates of green job training programs still face unemployment, and the lack of coordination in the workforce development has led to a shortage of green jobs careers, particularly for those with less than four years of college.¹⁹ Since WE&T program alignment is key to ensuring that disadvantaged workers have the opportunity to progress into sustainable careers, we join Greenlining in urging that the Commission acknowledge this linkage as a conclusion of law.²⁰

Conclusion

We urge the Commission to reject SCE’s contention that IOUs or the Energy Division without specific guidance from the Commission should manage the WE&T Working Group. Instead, we respectfully request that the Commission allow Greenlining to assume the role as facilitator of the WE&T Working Group and to adopt the WE&T recommendations detailed above as a framework to guide Greenlining and the WE&T Working Group.

Respectfully submitted,

May 30, 2012

/s/ Joshua Arce
Joshua Arce
Executive Director
Brightline Defense Project
1028A Howard St.
San Francisco CA 94103
415-252-9700
josh@brightlinedefense.org

/s/ Katherine Daniel
Katherine Daniel
Program Manager
Green For All
1611 Telegraph Ave., Suite 600
Oakland, CA 94612
510-271-9849
kat@greenforall.org

¹⁸ Greenlining, p. 14.

¹⁹ The Donald Vial Center on Employment in the Green Economy, Institute for Research on Labor and Employment, University of California, Berkeley. *California Workforce Education and Training Needs Assessment for Energy Efficiency, Distributed Generation, and Demand Response* xi, xvi, 284. March 17, 2011.

²⁰ Greenlining, p. 14.