

BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA



**FILED**

10-29-12  
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 26,2011)

And Related Matters.

Application 11-05-018  
Application 11-05-019  
Application 11-05-020

**THE DIVISION OF RATEPAYER ADVOCATES RESPONSE IN OPPOSITION  
TO SOUTHERN CALIFORNIA EDISON'S  
PETITION FOR MODIFICATION OF DECISION (D.) 12-08-044**

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October 29, 2012

## I. INTRODUCTION

Pursuant to Rule 16.4(f) of the Rules of Practice and Procedure of the California Public Utilities Commission (CPUC or Commission), the Division of Ratepayer Advocates (DRA) submits this opposition to the Petition for Modification of Decision (D.)12-08-044 filed by Southern California Edison Company (SCE) (Petition) on September 27, 2012. D.12-08-044 (Decision), issued August 30, 2012, adopted Energy Savings Assistance (ESA) and California Alternate Rates for Energy (CARE) program activities and budgets of the investor owned utilities (IOUs) for the 2012-2014 program cycle.

SCE petitions to reverse the explicit direction in D.12-08-044 that ESAP customers must be income qualified and pass the “modified 3 Measure Minimum Rule(modified 3MM Rule)” in order to be provided Energy Education.<sup>1</sup> The Petition should be denied for the reasons stated below.

**A.** SCE presents no new information in its Petition. Indeed, Section II.A. is reprinted verbatim from SCE’s Comments on the Proposed Decision.<sup>2</sup> The remainder of the Petition paraphrases SCE’s Application and Testimony (pp. 5-6).

**B.** The Commission was clear in its initial rejection of SCE’s request. D.12-08-044 denies SCE’s request on the principle that the services provided to ESAP participants must show some benefits. Both the Commission and SCE cite to multiple studies from the last ESAP program cycle that indicate Energy Education needs improvement. SCE essentially is asking the Commission to, on faith, approve Energy Education prior to showing that it has improved. Instead, the Commission allocates \$300,000 for a study (requested by the utilities) to determine whether and how much benefit comes from the ESAP Energy Education. Logically, the Commission provided explicit direction to SCE that a petition such as the Petition in question should be filed after the evaluation is completed, and only if the education component demonstrably results in benefits.

Without quantifiable energy and bill savings figures or other program benefits from such efforts, energy education cannot yet be considered a standalone measure, at this time. Once the energy

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<sup>1</sup> D.12-08-044 p. 242, Finding of Fact (FoF) 145, Conclusions of Law (CoL) 77, 78, Ordering Paragraph (OP) 144.

<sup>2</sup> Pp. 2-4 of SCE’s Petition is the same as SCE Comments on Proposed Decision, May 24, 2012, Section III. A. 1. pp. 5-6.

education evaluation is completed, the IOUs can then petition for energy education to be counted as a measure - but only if the education component demonstrably results in actualized, independent energy and/or bill savings or other program benefits from such efforts.<sup>3</sup>

**C.** As explained in the Decision, the Decision relied upon the most recent Process Evaluation in coming to this conclusion.

Lastly, what we learned from the last program cycle about the energy education component of the ESA Program is that it needs to be studied to determine whether we are delivering effective energy education that is received and retained. The latest Process Evaluation found significant disparity in type and overall quality of the messaging/energy education delivered across the IOUs' territories. We discuss this concern further in Section 5.2.5.2 of this decision. Therefore, without better understanding how to deliver an effective energy education to this population through the energy education study ordered in this decision, inter alia, as well as ascertaining quantifiable and associated energy savings figures, it is premature to consider energy education as a standalone measure applicable towards the modified 3MM Rule, at the present time, as it is being proposed here.<sup>4</sup>

In contrast, SCE offers nothing to counter the evaluation's findings that led the Commission to its conclusion.

**D.** Several reasons offered by SCE to support its Petition are disingenuous:

SCE says in Section II.B that the "modified 3MM Rule Disproportionately Affects SCE's ESA Customers." The Commission was fully cognizant of the number and proportion of SCE customers that would be affected by this directive.<sup>5</sup> SCE laments the difference between the 7% of SCE's customers that will not qualify for ESAP due to failing the modified 3MM Rule,<sup>6</sup> and approximately 3% of the other utilities' customers. In terms of raw numbers, 10,000 PG&E

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<sup>3</sup> D.12-08-044, p. 241.

<sup>4</sup> D.12-08-044, p. 133.

<sup>5</sup> D. 12-08-044, p. 131.

<sup>6</sup> SCE Petition, p. 4.

customers, 12,000 SoCalGas customers, 6,100 SDG&E customers and 18,000 SCE customers would not participate in ESAP because of the modified 3MM Rule.<sup>7</sup> Yet SCE submits these same numbers in its Petition, with the curious suggestion that providing Energy Education to 18,000 of the 46,100 total customers affected will somehow be less biased than applying the rule uniformly. Furthermore, these 46,100 low-income households that do not participate in ESAP in the current program cycle will still have the opportunity to participate in ESAP in future program cycles. Finally, these SCE households will still have the opportunity to access and enroll in the type of budget management tools via Edison Smart Connect that every other residential customer has.

SCE also argues, in Section II.C. that restricting “Energy Education to Homes Meeting the Modified 3MM Rule will Bias the Findings of the Upcoming Energy Education Study.” This is also misleading. If SCE is implying that it will need a pool of customers receiving only Energy Education in order to study the value of the service, SCE already has a large pool of nearly 100,000 from 2009-2011.<sup>8</sup> Yet now it claims that it would need to add to this number in order to study the subject.

**E.** DRA would support SCE’s Petition if SCE were to modify its Petition to include simple, easy to install savings measures such as lighting, smart strips and hot water heating insulation for installation by the outreach and assessment contractor. DRA does agree with SCE that the current rules do not maximize the presence of the outreach and assessment contractor while in the qualified ESAP customer home, but specifically disagrees with SCE’s limited choice of service it proposes in its Petition. Providing either lighting or smart strips to these 18,000 dwellings in question would deliver, for approximately the same cost as Energy Education, demonstrated energy savings. In the course of the proceeding, SCE previously indicated its willingness to implement DRA’s recommendation, as noted in D.12-08-044 on page 126. Indeed, the Commission is also interested in this streamlined approach to delivering services to

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<sup>7</sup> The calculation of the number of customers per utility that will not pass the modified 3MM is based on the number of customers to treat (as listed in D.12-08-044 Appendix F) multiplied by the percentages estimated by each IOU to fail the 3MM rule (7% for SCE, 3% for SoCalGas, 3% for PG&E, 1% for SDG&E). See Section 3.7.5 pl. 130-132 for these percentages).

<sup>8</sup> D. 12-08-044, p. 126.

ESAP participants on the first in-home visit, and requires a report by the utilities to the Energy Division to determine the training that would be required to take this approach.<sup>9</sup>

Respectfully submitted,

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<sup>2</sup> D.12-08-044, OP 30.