

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA



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Application of Southern California Edison
Company (U 338E) for Approval of its Energy
Savings Assistance and California Alternate
Rates for Energy Programs and Budgets for
Program Years 2015-2017

And Related Matters.

Application 14-11-007
(Filed November 18, 2014)

Application 14-11-011
Application 14-11- 010
Application 14-11- 009

**OPENING COMMENTS OF THE GREENLINING INSTITUTE ON THE PROPOSED
DECISION AND ALTERNATE PROPOSED DECISION ON LARGE INVESTOR-
OWNED UTILITIES' CALIFORNIA ALTERNATE RATES FOR ENERGY (CARE)
AND ENERGY SAVINGS ASSISTANCE (ESA) PROGRAM APPLICATIONS**

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TABLE OF CONTENTS

I. INTRODUCTION.....1

II. THE CURRENT GO BACK AND 3 Measure Minimum (3MM) RULES PREVENT THE COMMISSION FROM MEETING THE REQUIREMENTS OF SECTION 2790(a).....2

III. INCLUDE A COMMISSION-APPROVED STANDARDIZED MARKETING, EDUCATION, AND OUTREACH (ME&O) PLANS IN THE GUIDANCE DOCUMENT.....3

IV. PROPOSED UNDOCUMENTED RESIDENT STUDY IS AN IMPROPER USE OF RATEPAYER FUNDS.....5

V. THE COMMISSION MUST MEET THE MANDATES OF AB 793.....7

VI. THE COMMISSION MUST CONSOLIDATE THE MID-CYCLE ACTIVITIES AND WORKING GROUPS.....9

VII. CONCLUSION.....13

Summary of Recommendations

1. Elimination of the 3MM rule and elimination or modification of the go-back rule.
2. Establishment of a standardized format for IOU marketing and outreach plans, for inclusion in the Guidance Document.
3. Reject SoCalGas’ request for funding its undocumented residents study.
4. Direct the IOUs to revise their AB 793 Advice Letters with plans for incorporating EMT incentives for low income customers as soon as possible.
5. Create a mid-cycle coordinating committee to consolidate the mid-cycle working groups and activities and to increase participation and transparency for interested stakeholders.

Table of Authorities

California Statutes

California Public Utilities Code Section 2790(a).....	2
California Public Utilities Code Section 380.....	3
California Public Utilities Code Section 717.....	2

Commission Orders

D.16-03-029, <i>Decision on Phase 3 Issues: Post-2016 Statewide Marketing Education and Outreach Activities</i>	4
D.12-11-015, <i>Decision Approving 2013-2014 Energy Efficiency Programs and Benefits</i>	8
D.12-04-045, <i>Decision Adopting Demand Response Activities and Budgets for 2012 Through 2014</i>	8

Commission Rules of Practice and Procedure

Rule 14.3.....	1
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I. INTRODUCTION

Pursuant to Rule 14.3 of the California Public Utilities Commission's (Commission) Rules of Practice and Procedure, The Greenlining Institute (Greenlining) submits these comments on the Proposed Decision (PD) and Alternate Proposed Decision (APD) on the Large Investor-Owned Utilities' (IOUs) California Alternate Rates for Energy (CARE) and Energy Savings Assistance (ESA) Program Applications. Greenlining applauds the Administrative Law Judge Colbert, Commissioner Cathy Sandoval, and all the Commission staff involved in drafting such thoughtful and thorough documents. These comments primarily focus on the ESA program issues identified in both the PD and APD. Greenlining generally supports the APD over the PD because the APD proposes policy changes that will improve energy efficiency in low-income households. The APD would beneficially transform the ESAP program into one that provides not only significant health, safety, and comfort benefits but that will also now focus on achieving drastically increased energy and bill savings for low-income households. Greenlining appreciates the clear guidance and direction established in the APD as to how ESAP can be improved. Greenlining supports the APD in: (1) explicitly requiring the ESA program funds to be used for serving common areas and central systems in low income multifamily buildings; (2) establishing energy savings goals for ESAP; (3) eliminating the 3 measure minimum and go-back rules; and (4) maintaining cost effectiveness screening at the portfolio level, and developing a threshold that takes into account non-energy benefits, through the cost effectiveness working group's continuing efforts.

While Greenlining prefers the adoption of the APD, it strongly urges the Commission to adopt the proposed modifications below to correct errors of fact and law in the PD or APD and to

ensure that the ESA program continues to provide health, safety, and comfort benefits and becomes a stronger source of energy savings.

II. THE CURRENT GO BACK AND 3 Measure Minimum (3MM) RULES PREVENT THE COMMISSION FROM MEETING THE REQUIREMENTS OF SECTION 2790(a)

The PD's rejection of the IOUs' proposals to eliminate the "go back rule" or to modify the rule in order to provide additional weatherization services to homes that were treated after 2002 contradicts AB 793's¹ amendments to the Public Utilities Code, specifically, Section 2790. Sec. 2790 requires the Commission to direct the IOUs to perform as many weatherization service installations for low income customers that the Commission determines to be "feasible." The PD states that while the Commission agrees that some modification of the "go back rule" would benefit low income customers and yield additional energy savings, it is currently premature to authorize any modifications to the rule. Greenlining believes that the PD errs in its rationale because it did not claim that providing additional services to qualified households is not feasible. Rather, the PD simply rules that the "go back rule" should not be modified because the IOUs' proposals are "less than ideal" and that they "may distract the IOUs from meeting their 2020 goals."² The reasons provided by the PD are not enough to prevent households in need of these services from receiving the benefits of ESAP. We cannot leave behind so many households that are in need of ESAP services simply because we are fearful of significant policy change. There are ways that the Commission, program administrators, and other interested stakeholders could work together to ensure that the 2020 ESAP goals are met. It is possible to reach untreated households while going back to previously treated homes to provide as many weatherization services as possible.

¹ AB 793 added Sec. 717 and Sec. 2790 to the CA Public Utilities Code.

² PD *at* 40.

Greenlining similarly believes that the PD errs in rejecting the proposals to eliminate the 3MM rule. The rule's origin, as the PD described, stemmed from the belief that ESAP could achieve greater energy savings and ensure cost-effectiveness by only providing services to homes that needed at least three measures (excluding energy efficiency education) or homes that if treated, could achieve at least 125 kilowatt-hours (kWh) annually or 25 therms annually. Since the program had no energy savings target or cost-effectiveness threshold to guide the IOUs, the Commission used the 3MM rule as a substitute. The ESAP enabling statute mandates that the program must provide cost-effective services that reduce energy-related hardships to its participating residents.³ However, the Commission's original rationale for instituting a limit on the number of measures a home must qualify for before receiving ESAP services now contradicts current legislation directing IOUs to provide as many weatherization services, (which includes building conservation measures, energy management technology, energy-efficient appliances, and energy education programs) as determined feasible by the commission.⁴ There is no proof on the record that the 3MM rule actually affects the program's cost-effectiveness. Thus, Greenlining recommends the elimination of this rule and continuation of the cost-effectiveness group's work to determine the proper cost-effectiveness thresholds for ESAP.

III. INCLUDE A COMMISSION-APPROVED STANDARDIZED MARKETING, EDUCATION, AND OUTREACH (ME&O) PLANS IN THE GUIDANCE DOCUMENT

Greenlining generally supports the marketing and outreach proposals reflected in both the PD and APD and we offer the discussion in this section in order to correct two factual errors and to add a recommendation to further ensure that the parties in this proceeding achieve the intent of the Commission regarding CARE and ESA program marketing and outreach.

³ Public Utilities Code Sec. 380

⁴ Public Utilities Code Sec. 2790

First, the PD or the APD must be changed to correct factual errors. Both documents order the IOUs to conduct an ESA program-specific marketing and outreach workshop that coincides with the Statewide ME&O proceeding's workshop as directed by D.16-03-029.⁵ D.16-03-029 ordered one workshop in which parties were to participate in order to review the two Commission-ordered EM&V studies of the statewide ME&O program and to discuss the program's goals, governance structure and budgets.⁶ However, this statewide ME&O workshop already occurred on April 14, 2016. D.16-03-029 does not mention any other workshop and thus Greenlining believes that the PD and APD are referencing a workshop that already passed. The Commission must correct this error and recommend another date for the IOUs to conduct the ESA program marketing and outreach workshop.

The second factual error occurs where the PD and APD direct the IOUs to incorporate their revised CARE and ESA program marketing and outreach plans into R.12-06-013's mandated Tier 3 advice letter filings for the IOUs' ME&O plans. The PD and APD state that these advice letter filings must be filed by June 1, 2017. However, ALJ Jeanne M. McKinney ruled that the ME&O plan advice letters for R.12-06-013 shall be filed no later than November 1, 2016. It is useful to align the marketing and outreach plans in the CARE and ESA programs and the Residential Rate Restructuring proceedings, and thus Greenlining recommends changing the PD and APD to reflect the correct filing due date for the ME&O plans advice letters in R.12-06-013.

Greenlining agrees with both the PD and APD that while some information in the marketing and outreach plan may differ based on local needs, the format and types of information such as goals, objectives, metrics, and budget for activities must be standardized

⁵ D.16-03-029, *Decision on Phase 3 Issues: Post-2016 Statewide Marketing Education and Outreach Activities*, Mar. 22, 2016, at 14, 24, and Ordering paragraph 6.

⁶ *Id.*

across all IOUs. Greenlining recommends changing the PD and APD to state that within 30 days of the workshop, the IOUs must develop a standardized format of their marketing and outreach plans and file a Tier 1 Advice Letter, similar to what the Center for Sustainable Energy had to do in order to get authorization for the Financing Marketing Plan.⁷ Greenlining hopes that the workshop will be a collaborative process between the IOUs and interested stakeholders and that the IOUs will do their best to address and adopt meaningful recommendations from the discussion. If the IOUs should fail to follow the direction of the Commission or to incorporate reasonable recommendations from the workshop participants, then the stakeholders have an opportunity to protest these matters through the advice letter process. This process creates transparency and provides all stakeholders a fair opportunity to help the Commission address issues of marketing and outreach. Additionally, once the Commission has approved a marketing and outreach plan format, this format should be included in the Guidance Document, as a reference document for IOUs to use in future ESA program cycles.

IV. THE PROPOSED UNDOCUMENTED RESIDENT STUDY IS AN IMPROPER USE OF RATEPAYER FUNDS

The PD and APD err in authorizing SoCalGas' request to fund a regional study of undocumented residents to learn whether these residents face unique barriers to participation to CARE and ESA programs. SoCalGas seeks authorization to fund 60-minute interviews of 24 undocumented residents in its territories to inform SoCalGas' marketing and outreach efforts. The utility estimates the cost to be \$20 per minute of the interview. SoCalGas, however, provides no additional information on the basis for the cost, whether the interviewees qualify for CARE and ESA programs, how the interviewees will be selected, who will interact with them, and to whom the money will be paid.

⁷ Center for Accessible Energy Advice Letter 53-A.

Throughout this proceeding, Greenlining provided rationale and recommendations in comments and testimony to urge the Commission to deny this request. Greenlining continues to assert that funding this activity runs contrary to the program's goals and rules. There has been no proof on the record that justifies SoCalGas' proposed study: no assertion that undocumented residents face unique barriers to participation to the programs, no showing of under-enrollment or non-enrollment of qualified undocumented energy customers, and no reason offered as to why the study should focus only on undocumented residents residing in one small area of a very diverse state. In Greenlining's testimony, a community-based organization staff member who regularly works with undocumented residents stated that the population is generally distrustful of utility or government representatives collecting their information for fear of being harmed. Greenlining therefore urged the Commission to approach this issue through a more sensitive, fair, and transparent process that ensures the safety of our community members and recommended that the issue to be included in the upcoming 2015-2016 Low Income Needs Assessment (LINA) study.

Greenlining believes that separate efforts and funding to study undocumented residents is duplicative of the LINA study. During the most recent LINA Study workshop⁸, Greenlining proposed adding to the Study an assessment of possible barriers that low income, undocumented electric and gas utility customers face. A representative from the Energy Division stated that due to the Study's limited budget, it was not possible to expand the scope and include this issue. Greenlining is now disappointed to see in the PD and APD that there is money available through EM&V to supplement the LINA budget and broaden the scope to include a focus on low income undocumented customers. The use of CARE and ESA program money to fund a study with unidentified benefits and that involves a limited and unknown number of people, who may or

⁸ Held on January 28, 2016.

may not qualify for CARE and ESA programs, could result in misuse of the programs' funds and potential harm to our community members. Greenlining strongly urges the Commission to revise the PD and APD to reject SoCalGas' request for funding its undocumented residents study.

V. THE COMMISSION MUST MEET THE MANDATES OF AB 793

Greenlining recommends changing the PD and APD to direct the IOUs to include incentives for and education about energy management technologies in the ESA program, in accordance with the mandates of AB 793. The legislation requires the Commission to order the IOUs to develop a program that incentivizes residential or small or medium business customers to acquire energy management technology by January 1, 2017. The Commission's failure to add an order to comply with AB 793 in the final decision of the CARE and ESA program proceeding would amount to a legal error. AB 793 aims to increase the adoption of energy management technology (EMT)⁹ through mandatory education of electric and gas utility customers and through providing incentives in weatherization programs available to residents and small and medium sized businesses. The legislation requires the IOUs to provide the Commission an annual report on actual customer savings resulting from these incentives.

On June 20, 2016, a Joint Ruling¹⁰ was filed in R. 13-11-005¹¹ and R. 13-09-011¹² whereby the Commission directed the IOUs to file plans to meet the EMT incentive programs, customer education, and annual reporting requirements of AB 793 by August 1, 2016. It stated that the IOUs need to file a Tier 2 advice letter if they are seeking to use previously authorized mainstream energy efficiency (D. 12-11-015) or demand response (D.12-04-045) funding;

⁹ Energy management technology's definition within Sec. 717 includes a product, service, or software that allows a customer to better understand and manage electricity or gas use in the customer's home.

¹⁰ Joint Administrative Law Judge's Ruling Providing Guidance on Compliance with Assembly Bill 793 Activities, hereinafter, *Joint Ruling*.

¹¹ Order Instituting Rulemaking Concerning Energy Efficiency Rolling Portfolios, Policies, Programs, Evaluation, and Related Issues.

¹² Order Instituting Rulemaking to Enhance the Role of Demand Response in Meeting the State's Resource Planning Needs and Operational Requirements.

otherwise, the IOUs shall file new applications for additional or supplemental funding.¹³ However, the Joint Ruling did not order the IOUs to develop EMT incentive program implementation proposals for low income customers or to direct the use of authorized ESA program funds. This lack of direction to implement EMT incentive programs for low income customers was reflected by the Advice Letters that the IOUs filed on August 1, 2016. The IOUs addressed the low income sector in the advice letters in different ways but none included any plans or meaningful proposals to incorporate EMT incentives for low income customers.¹⁴ The IOUs' general intent that Greenlining gleans from the Advice Letters is that the program administrators are looking to the ESA program proceeding for further direction and guidance.

Instead of directing the IOUs to file proposals or plans on how they intend to meet the mandates of AB 793, the PD and APD direct the IOUs to develop mobile apps that customers can use for program enrollment, post-enrollment verification, and recertification.¹⁵ The PD and APD recommend, but do not require, that the apps should also allow viewing of the household's energy use for energy management purposes. The PD and APD further require the IOUs to update their My Account/My Energy websites for mobile viewing to enable people with disabilities and limited English speakers to use the mobile sites for enrollment, recertification, and post-enrollment verification. While some parties brought up the legality of using funds for accomplishing these directives¹⁶, Greenlining urges the Commission to contemplate whether the development of apps and mobile websites for the primary use of enrolling, recertifying, and verifying CARE and ESA program participants falls within the intent and requirement of AB

¹³ Joint Ruling *at* 7.

¹⁴ *See generally* SCG AL 5003 *at* A-11; PG&E AL 3744-G_4886-E *at* 7. SDG&E claims that in it requested two new measures and initiatives that addresses AB 793 in its pending ESAP application, which was filed before AB 793 was even signed into law; *see* AL 2937-E_2500-G *at* 10. SCE briefly stated that it will "target low income customers who currently participates or have participated in DR and EE programs," AL 3446-E *at* 12.

¹⁵ PD *at* 253-256; APD *at* 309-312.

¹⁶ During the All Party Meeting on Aug. 31, 2016, PG&E's representative questioned the legality of using CARE and ESA program funds to pay for smartphones.

793. Greenlining fully supports these endeavors because these developments would likely facilitate greater participation process for our constituents. However, this is not the intent of AB 793 and the legislature that is pushing California to achieve ambitious and aggressive energy efficiency goals. Enrollment of all eligible CARE and ESA program participants has been a consistent goal of the state, even before the passage of AB 793. Thus, even without this new law, Greenlining expects the IOUs and the Commission to develop and support innovative ideas to facilitate participation in the low income programs. The primary intent of AB 793 is to incentivize residents to assess and manage their energy use. While the proposed ideas in the PD and APD fall within the broad definition of EMT, the IOUs should nonetheless be required to present their plans on how they will incentivize low income customers to achieve AB 793's goal.

Greenlining urges the Commission to change the PD or the APD and direct the IOUs to revise their AB 793 plans by supplementing their Advice Letters with plans for incorporating EMT incentives for low income customers as soon as possible. Similar to the Joint Ruling, the Commission should indicate that if the IOUs require additional funding beyond what will be authorized in this cycle's decision, that the IOUs shall file new applications. The Commission should also order the IOUs to incorporate specific EMT education plans for low income customers and the process for tracking and reporting the program savings to the Commission in their current proposals contained in their AB 793 Advice Letters.

VI. THE COMMISSION MUST CONSOLIDATE THE MID-CYCLE ACTIVITIES AND WORKING GROUPS

Greenlining recommends creating the CARE and ESA program Mid-Cycle Coordinating Committee for the purpose of consolidating all mid-cycle activities in this proceeding. The parties and Commission staff in this proceeding face the daunting task of accomplishing all the mid-cycle expectations that the Commission set forth in the PD or APD, which involves

organizing various working groups, overseeing ongoing IOU efforts, and providing recommendations on unresolved issues. Greenlining believes that consolidating all mid-cycle activities so that parties can participate in one venue or forum would increase participation, transparency, and overall alignment and achievement of low income program goals.

Parties in this proceeding often complain about not knowing what is going on during the mid-cycle process or how the mid-cycle work has been implemented. For example, Greenlining observed that the cost-effectiveness working group's work during the last cycle could have offered more impact if interested stakeholders who were not part of the working group had an opportunity to provide input and to track the discussion and progress of work. When the Commission asked the parties to comment on the cost-effectiveness group's recommendations, Greenlining pointed out that there was not enough information provided by the group, on record, to allow stakeholders to provide meaningful comments. For a period of over two years, the group, which is tasked with a very important goal, only produced two documents that Greenlining considered to be inconsistent with the Commission's order. Greenlining has no doubt that the working group's members worked very hard on their cost-effectiveness recommendations and in the future, such efforts could lead to more meaningful results and advance the work of the Commission if the issues of transparency and recording are resolved.

This is but one example of the issues we as parties are experiencing by having too many working groups and mid-cycle activities. Greenlining is concerned that there are possible overlaps or duplication of work. For example, it is not clear to us the differences in the scope of work in the proposed marketing and outreach workshop, educational workshop, and follow-up LINA workshops. Also, there is a general lack of understanding on opportunities for stakeholders to track the progress of issues and provide input. Some other issues to be discussed

or activities to be accomplished during the mid-cycle period include: marketing, education, and outreach, updates to the ESAP manual, re-structuring of the IOUs' monthly and annual reports, cost-effectiveness and energy savings goal, CARE post-enrollment verification and recertification, WFTP, and ensuring coordination of efforts with related proceedings such as Rate Reform and mainstream Energy Efficiency. It is not clear which parties are supposed to be involved in these discussions, when discussions and decisions are supposed to happen, and how to track the Commission's progress on the issues. For these reasons, Greenlining believes it is necessary to consolidate the mid-cycle work through establishing a coordinating committee.

Greenlining recommends that the Commission should establish the Mid-Cycle Coordinating Committee's (MCCC) and state its purpose, scope of work, and deliverables. Greenlining has general recommendations on these subjects below, but it also believes that the Commission should strongly consider the recommendations of interested parties on these matters. An appropriate purpose for this committee is to (a) facilitate an inclusive and transparent discussion of issues, (b) assist the program administrators in implementing the CARE and ESA programs, and (c) advise the Commission on the development of the Guidance Document and the IOUs on their planning of the next set of program applications.

The Commission should also clarify the scope of work and the expected deliverables of MCCC. The scope of work MCCC's work should include, but not be limited to, all of the proposed mid-cycle work and working groups' tasks listed above. Once there is a final decision in this proceeding, the MCCC participation process (engaging and identifying members) should begin immediately after the Commission issues its final decision in this proceeding. The committee's first task is to develop a plan on how it will accomplish the work within its scope, which involves the process of consolidating issues.

In terms of structure and governance, Greenlining recommends that the Mid-Cycle Coordinating Committee (MCCC) should be modeled after the Energy Efficiency Coordinating Committee, created by D.15-10-028.¹⁷ Membership should be open to all interested parties in the CARE and ESA programs proceeding. Once the group convenes, it can select co-chairs to lead in organizing the committee's process and activities and to represent MCCC when necessary. While participation is inclusive and not mandatory, those who seek committee membership should be required to commit to meaningful participation. To ensure diversity and fairness, Greenlining recommends that each party should be allowed only one seat in the Committee and that the Commission should encourage as many non-program administrator parties to participate as possible, especially Energy Division staff. Committee meetings should be held publicly and be open to non-committee members who would like to attend and provide additional input. The Commission should also order MCCC committee members to create a transparent process to track and record its meetings, related discussions, and work product. The Commission should authorize funding for one facilitator who will be responsible for ensuring collaborative and balance discussions, assisting committee members with recording its work and discussions, and helping prioritize issues to be discussed. Eligible committee members should be compensated through the Commission's intervenor compensation process for the work that they perform. The MCCC members should have the autonomy to tackle the issues within its scope by assigning responsibilities to the appropriate members, which could include creating subcommittees. The MCCC should be required to create a calendar of activities, events, and deliverables and should be required to report on the status of its work through a reporting process, for instance, to the Low-Income Oversight Board. While Greenlining has several other ideas and would like to hear

¹⁷ Decision Re Energy Efficiency Goals For 2016 And Beyond And Energy Efficiency Rolling Portfolio Mechanics, Ordering Para. 8-12, Oct. 28, 2015.

other parties' thoughts on the mechanics of the committee, we believe that it is important that the Commission first adopts our recommendation to consolidate the mid-cycle work and create this committee.

VII. CONCLUSION

Greenlining strongly urges the Commission to adopt the recommendations above. We appreciate the new program ideas and policies reflected in the APD and believe they are in line with the state's ambitious energy goals. California cannot achieve its energy efficiency goals by continuing with business as usual because low-income Californians deserve more than is currently confined by the status quo. Ratepayers and utility investors are not just getting their usual benefits from the CARE and ESA programs; they are now also partnering with everyone living in this state in order to achieve a cleaner and more energy efficient California. The legislators and the governor have directed agencies like the Commission to achieve aggressive and ambitious goals. The APD's approach in changing CARE and ESA programs policies reflects this direction. The PD offers much needed solutions to the challenges that low income residents face, but it does not go far enough to effectively achieve cost-effectiveness/energy savings while providing affordable and energy efficient homes. Greenlining urges the Commission to keep advancing policies for its low income programs that will help the state achieve its energy goals, and more importantly, provide much needed energy benefits to low income residents.

Respectfully submitted,

Dated: September 6, 2016

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