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

Order Instituting Rulemaking Concerning
Energy Efficiency Rolling Portfolios,
Policies, Programs, Evaluation, and
Related Items

Rulemaking 13-11-005
(Filed November 14, 2013)

**REPLY COMMENTS OF THE SAN JOAQUIN VALLEY CLEAN ENERGY
ORGANIZATION ON COMMENTS SUBMITTED ON
RULING OF ASSIGNED COMMISSIONER AND ADMINISTRATIVE LAW JUDGE
SEEKING INPUT ON APPROACHES FOR STATEWIDE AND THIRD-PARTY
PROGRAMS**

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Dated: July 1, 2016

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I. Introduction

The San Joaquin Valley Clean Energy Organization (SJVCEO) respectfully submits these reply comments in response to the opening comments that have been submitted to the Ruling of Assigned Commissioner and Administrative Law Judge (ALJ) dated May 25, 2016. The SJVCEO appreciates the intent of this Ruling; which we interpret to be the enhancement of current statewide programs to meet the goals of SB 350, and we appreciate the opportunity to provide reply comments.

The SJVCEO, as a 501(c)3 non-profit, represents 62 local governments in the San Joaquin Valley and actively works to improve the quality of life in our region through the advancement of energy efficiency programs, services and policies. The SJVCEO holds contracts with Pacific Gas & Electric Company (PG&E), Southern California Edison (SCE) and Southern California Gas Company (SCG) to serve as the lead local implementer of the Valley Innovative Energy Watch (VIEW), our three utility, 13 municipality local government partnership (LGP) as well as with SCE to serve as the lead local implementer for the High Desert Regional Energy Leader Partnership, our five city LGP in eastern San Bernardino County. Since 2012 our programs with our Investor Owned Utility (IOU) partners have saved in excess of 16,000,000

kWh for our local governments and an additional 4,200,000 kWh for small and medium business customers.

The SJVCEO supports the implementation of the Rolling Portfolio and actively participates in the development of the Business Plans with a member on the California Energy Efficiency Coordinating Committee (CAEECC), serving as the co-chair of the Public Sector Subcommittee and additional staff participating in the cross-cutting sector subcommittee.

II. Reply Comments Regarding Local Government Partnerships

The SJVCEO disagrees with the comments filed by the Local Government Sustainable Energy Coalition (“LGSEC”) proposing an additional Local Government Program Area (LGPA). The Local Government Partnerships (LGPs) should remain administered and implemented by the four IOUs.

The SJVCEO, as the lead local implementer of a three utility LGP, disagrees that local governments that span multiple service areas, “can be hampered by utility specific program design and administration”¹. It is our experience that the IOU administration and implementation across multiple service areas within a single LGP improves the delivery of services and products and increases the participation of multi-utility municipalities in energy efficiency programs. It is also our experience that the inclusion of the utility partner increases the credibility and validity of the energy efficiency program in our rural local governments and communities. In our rural, disadvantaged and hard to reach region there are two pillars within our communities: the local government and the utility. We value the commitment and partnership of our utility partners in the current LGP administration model and know that the opportunity for success would be diminished if the programs transitioned to a statewide administration model.

The SJVCEO agrees with those comments (i) recognizing LGPs as a downstream program and (ii) as needing to remain administered at the local and regional level, excluded from Statewide Administration.

¹ Comments of the Local Government Sustainable Energy Coalition in Response to the May 24, 2016 Administrative Law Judge Ruling Seeking Input on Approaches for Statewide and Third-Party Programs, page 6

The SJVCEO agrees with the comment of SDG&E, “SDG&E strongly recommends that certain programs like LGPs and its residential behavioral programs should remain individual utility-administered programs...”²

SJVCEO supports the PG&E comment, “IOUs should retain their roles as the program administrators for downstream programs (i.e. customer-facing programs) and local programs, regardless of customer sector to demonstrate that energy efficiency is a reliable resource.”³

SJVCEO agrees with both AMBAG and SBC in their shared comment, “It is our hope that this ruling does not and would not apply to LGPs. In the 2013-15 Energy Division & Program Administrator Energy Efficiency Evaluation, Measurement and Verification Plan Version 6, published January 14, 2016, under the section titled Sector and Program Area Long Term Research Roadmaps – Local Government Partnership “the local government partnerships are not statewide programs...”⁴ The SJVCEO does not believe that LGP regions would be more effective in their delivery of energy savings under a statewide administration model. The ability to customize a diversified portfolio to serve the specific targeted needs of a local community is the competitive advantage that secures deeper energy savings for a local government partnership.

The commission should not issue a reset on the LGP administration structure because barriers exist. Rather, the commission should allow the public participation stakeholder process to continue through the CAEECC--and the Public Sector subcommittee specifically--to identify barriers to the current model and develop solutions and drivers through the process as intended.

LGSEC states, “The intent of this proposal is to align the Commission’s goals for energy efficiency programs designed for system needs with local and regional government energy efficiency initiatives to create a bridge between the disparate current local government program offerings by IOUs and a more consistent and coordinated portfolio of comprehensive and integrated community based energy efficiency programs that can meet statewide energy and greenhouse gas (GHG) goals.”⁵ Our opinion and experience is that the CAEECC sector specific

² Opening comments of SDG&E on Ruling of Assigned Commissioner and Administrative Law Judge Seeking Input on approaches for Statewide and Third-Party Programs, page 2

³ Comments of Pacific Gas and Electric Company on Statewide and Third-Party Programs, page 3

⁴ Comments of Sierra Business Council on Ruling of Assigned Commissioner and Administrative Law Judge Seeking Input on approaches for Statewide and Third-Party Programs, page 2 and Comments of the Association of Monterey Bay Area Governments on Ruling of Assigned Commissioner and Administrative Law Judge Seeking Input on approaches for Statewide and Third-Party Programs, page 2

⁵ Comments of the Local Government Sustainable Energy Coalition in Response to the May 24, 2016 Administrative Law Judge Ruling Seeking Input on Approaches for Statewide and Third-Party Programs, page 2

subcommittees are inherently designed to do just that. The LGSEC proposal implies that the public stakeholder process, as authorized by the Commission in Decision 15-10-028, will not address barriers and challenges and therefore proposes the authorization of a disruptive alternative must be authorized; this is an impulsive response that begs reckless action. The public stakeholder process should be allowed to proceed as intended in the Decision.

SJVCEO agrees with the Natural Resources Defense Council comment, “The Commission should leverage the CAEECC process and defer substantial changes to SW and 3P programs until after the Business Plans (BPs) are filed.”⁶

B. Comments regarding lack of proof of concept in California and need for analysis.

SJVCEO supports the need for proof of concept prior to a system wide change. Before moving administration of various programs, the Commission should first verify that a new statewide approach would in fact improve the TRC and provide for greater effectiveness in delivering higher energy savings.

In support of this approach, SJVCEO agrees with SDG&E comment, “Presentations from other states are interesting but there is no Commission analysis or discussions as to what features of these programs are applicable to California’s very diverse population or a discussion of the potential drawbacks of these models.”⁷ We also support the suggestion that, “A fundamental departure from the current EE administration framework, if adopted, should be based on a thorough study and analysis, which at this time is simply lacking.”⁸

III. Conclusion

The SJVCEO thanks the Assigned Commissioner and the ALJ for the opportunity to submit reply comments on the comments submitted on statewide programs.

⁶ Natural Resources Defense Council (NRDC) Opening Comments On The Ruling of Assigned Commissioner and Administrative Law Judge Seeking Input On Approaches For Statewide And Third-Party Programs, page 4

⁷ Opening comments of SDG&E on Ruling of Assigned Commissioner and Administrative Law Judge Seeking Input on approaches for Statewide and Third-Party Programs, page 6

⁸ Opening comments of SDG&E on Ruling of Assigned Commissioner and Administrative Law Judge Seeking Input on approaches for Statewide and Third-Party Programs, page 7

Dated: July 1, 2016

Respectfully submitted,

A handwritten signature in black ink that reads "Courtney Kalashian". The signature is written in a cursive, flowing style.

Courtney Kalashian

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