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

Application of Southern California Edison Company
(U338E) for Approval of its Energy Savings Assistance
and California Alternate Rates for Energy Programs and
Budgets for Program Years 2015-2017.

And Related Matters.

A. 14-11-007
(Filed November 18, 2014)

A. 14-11-009
A. 14-11-010
A. 14-11-011

**EX PARTE NOTICE OF THE NATURAL RESOURCES DEFENSE
COUNCIL (NRDC)**

September 8, 2016

Maria Stamas
Natural Resources Defense Council
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**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Application of Southern California Edison Company (U338E) for Approval of its Energy Savings Assistance and California Alternate Rates for Energy Programs and Budgets for Program Years 2015-2017.

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EX PARTE NOTICE OF THE NATURAL RESOURCES DEFENSE COUNCIL (NRDC)

Pursuant to Rules 8.2, 8.3, and 8.5 of the California Public Utilities Commission’s Rules of Practice and Procedure, the Natural Resources Defense Council (NRDC) hereby gives notice of the following ex parte communication. The communication was by e-mail at approximately 2:35pm on Thursday, September 8, 2016. Maria Stamas, Attorney at NRDC, sent the email included as Attachment A to: President Picker, Commissioner Peterman, Commissioner Sandoval, Commissioner Florio, Commissioner Randolph, and Commissioner Sandoval as well as their respective advisors: Nick Chaset, Scott Murtishaw, David Gamson, Jen Kalafut, Sepideh Khosrowjah, Matthew Tisdale, Ditas Katague, Michael Colvin, Rachel Peterson, and Sean Simon. The email included a link to NRDC’s blog on the forthcoming vote on the Energy Savings Assistance Program draft decisions, as well as the blog text itself.

Dated: September 8, 2016

Respectfully submitted,

A handwritten signature in cursive script that reads "Maria Stamas". The signature is written in black ink and is positioned below the text "Respectfully submitted,".

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Attachment A

From: Stamas, Maria

To: "MP6@cpuc.ca.gov"; "NLC@cpuc.ca.gov"; "SGM@cpuc.ca.gov"; "LR1@cpuc.ca.gov"; "rachel.peterson@cpuc.ca.gov"; "sean.simon@cpuc.ca.gov"; "CAP@cpuc.ca.gov"; "DMG@cpuc.ca.gov"; "JMK@cpuc.ca.gov"; "DMK@cpuc.ca.gov"; "MC3@cpuc.ca.gov"; "CJS@cpuc.ca.gov"; "MF1@cpuc.ca.gov"; "SKH@cpuc.ca.gov"; "MWT@cpuc.ca.gov"

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Subject: Upcoming ESAP Vote - new NRDC blog

Date: Thursday, September 08, 2016 2:34:00 PM

Dear President Picker and Commissioners Peterman, Randolph, Florio, and Sandoval,

Thank you for your ongoing work on the CPUC's low-income energy efficiency program. As you may be aware, an upcoming vote between two draft decisions on the future of the Energy Savings Assistance Program (ESAP) could occur as early as September 15.

For your review, [here is a link to a new NRDC blog](#), outlining our support for Commissioner Sandoval's Alternate Proposed Decision, with some modifications, as described in our opening comments. For ease of reading, I have copied the blog text below as well.

We look forward to continuing to work with you, staff, and other stakeholders to help design and implement an Energy Savings Program that is truly reflective of the state's equity and climate goals.

We are filing an ex parte notice concurrent with this email.

Best,

Maria

MARIA STAMAS

Attorney, Energy & Climate

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California Has the Chance to Be a Climate Equity Leader

September 08, 2016 [Maria Stamas](#)

An upcoming California Public Utilities Commission vote between two proposals on the future of the state's low-income energy efficiency program will either put California on an unprecedented path toward increased climate equity or maintain the status quo, leaving energy and bill savings on the table for the state's most vulnerable populations.

The vote, which could come as early as September 15, will affect the Energy Savings Assistance (ESA) Program, which has focused almost exclusively on encouraging energy savings for single-family utility customers, leaving behind a large portion of the eligible low-income population in multifamily properties.

But [the changes](#) proposed by [Commissioner Catherine J.K. Sandoval](#) over the next four years would lead to an expansion of the \$375 million low-income efficiency program by offering more benefits to the eligible program population of 5 million underserved customers, including services for low-income multifamily housing customers, and align the program with California's overall energy and equity policies—all without increasing the budget.

[The other proposal](#), by Administrative Law Judge Anthony Colbert, would make modest improvements, but largely maintains the same rules and measures that have historically resulted in low multifamily participation and [minimal energy savings](#).

I. We support Commissioner Sandoval's proposal because it would:

- Provide greater energy bill savings and improved health and comfort to low-income tenants residing in **multifamily properties**, from a budget allocation of unspent funds.
- Require utilities to meet modest and achievable energy-savings goals while continuing to meet customers' health and safety needs.

- Immediately adopt new efficiency measures and policies, such as LED lighting, [building commissioning](#), efficient water heating, and more, which will contribute toward the state’s [legislative requirement to double efficiency savings by 2030](#) and reduce greenhouse gas emissions [40 percent below 1990 levels by 2030](#).
- Also ensure disadvantaged and low-income communities are included in the clean energy future by aligning ESA with the values reflected in recently passed [environmental justice](#) and climate bills.

II. Additional improvements to save more energy and money:

Commissioner Sandoval’s proposal can accomplish even more if it’s amended, [as recommended in our comments](#), and [those of our housing and consumer advocate partners](#), to:

1. Revise the energy savings goals upward to ensure they are greater than the savings utilities expected to achieve under existing program policies.
2. Require high quality ASHRAE audits to determine **all household and common area measures** and funding levels for a given multifamily property.
3. Ensure utilities have full flexibility to offer new measures on an ongoing basis and at a household-specific level, so long as the measures don’t lower the overall program’s cost-effectiveness.
4. Provide an opportunity for additional program changes in 2018 even though funding extends through 2020.
5. Create a Mid-Cycle Coordinating Committee to organize and facilitate stakeholder collaboration on continual improvements to the program’s offerings, [leveraging the one established in the general-income efficiency proceeding](#).

What about the cost of adding multifamily measures to the program?

The ESA program is critical to enable energy and economic security for California's low-income households, who [spend more of their income on energy](#) than other households.

Commissioner Sandoval's proposal would put the multifamily program onto a stronger cost-effectiveness footing than the overall program:

- It would require a high-quality [ASHRAE audit](#) to identify property-specific measure and funding levels. This means multifamily buildings (those with five or more apartment units)—unlike smaller households served by the ESA Program—will be required to demonstrate cost-effectiveness at the property-level before funding is deployed for efficiency improvements,
- The new ESA multifamily program design is modeled from [a number of top-performing low-income efficiency programs across the country](#) that have figured out how to support common area and whole-building efficiency improvement measures, adhering to similar goals as the ESA program while generally spending less per kilowatt-hour or therm saved, and
- The program's multifamily households contain a huge amount of untapped energy savings. A forthcoming study on California potential energy efficiency savings conducted by [Optimal Energy](#) finds approximately 30 percent savings are possible for the ESA-eligible multifamily stock, resulting in energy and health benefits that exceed the investment costs by two to four times.

Will this really benefit tenants?

Pursuing new whole-building multifamily projects will:

- Lower overall utility bills in most instances,
- Encourage owners to participate and enroll their entire property in the efficiency program (which would get at many more savings at once),
- Enable improvements that provide a healthier and more comfortable living environment,
- Help preserve the affordability of government-supported rent-restricted rental housing by lowering operating costs for owners, and
- Ensure that low-income tenants living in market rate properties maintain affordable dwellings, especially [if the Commission adopts stakeholder proposals](#) to require participating owners not to adjust rents in response to the upgrades.

Isn't it too hard to achieve energy savings AND reach this population?

Given that ESAP is nearly a \$400 million per year program, it should aspire to achieve more savings that are critical to reduce residents' bills and achieve the state's ambitious clean energy targets. Although the program was anticipated to save energy, it has only focused on reaching as many households as possible at minimal costs per household, often leaving substantial savings on the table.

Commissioner Sandoval adopts a modest energy savings goal now and outlines a process to adopt a stronger goal by 2018. The goals set now are achievable and based on past savings. They also reflect the direction set in the [Aliso Canyon low income efficiency decision](#) to target energy savings, ensuring program offerings result in direct benefits for customers and our overall energy system.

Why would the utilities support this?

Commissioner Sandoval's proposal will improve utilities' ability to go after those savings that make the most sense to serve this population. It also:

- Enhances flexibility by eliminating administrative rules and extends the program cycle through 2020 to allow for longer lead-time programs,
- Offers a significant source of energy savings to achieve efficiency doubling goals and state climate objectives,
- For PG&E, it offers a significant resource to replace electricity [from the soon-to-be retired Diablo Canyon nuclear plant](#), and it
- Uses pre-existing unspent funds (meaning, no additional funding needed) for the new whole-building multifamily measures.

What next?

NRDC urges the commission to adopt Commissioner Sandoval's proposal—with the modifications [noted in our comments](#) and those of our partners [California Housing Partnership and National Consumer Law Center](#)—to bring ESAP into the state's new era of equity and greenhouse gas reduction mandates while providing significant benefit to low-income renters and residents who need it the most.