



BEFORE THE PUBLIC UTILITIES COMMISSION OF THE **FILED**

STATE OF CALIFORNIA

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Application of Southern California Edison Company (U 338-E) for Approval of Low-Income Assistance Programs and Budgets for Program Years 2012-2014	A.11-05-017 (Filed May 16, 2011)
Application of Southern California Gas Company (U 904 G) for Approval of Low-Income Assistance Program and Budgets for Program Years 2012-2014	A.11-05-018 (Filed May 16, 2011)
Application of Pacific Gas and Electric Company for Approval of the 2012-2014 Low Income Energy Efficiency and California Alternate Rates for Energy Programs and Budget (U 39 M)	A.11-05-019 (Filed May 16, 2011)
Application of San Diego Gas & Electric Company (U 902 M) for Approval of Low-Income Assistance Programs and Budgets for Program Years 2012-2014	A.11-05-020 (Filed May 16, 2011)

**OPENING BRIEF OF SOUTHERN CALIFORNIA EDISON COMPANY (U 338-E) IN
SUPPORT OF ITS APPLICATION FOR APPROVAL OF LOW-INCOME
ASSISTANCE PROGRAMS AND BUDGETS FOR PROGRAM YEARS 2012-2014**

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**OPENING BRIEF OF SOUTHERN CALIFORNIA EDISON COMPANY (U 338-E) IN
SUPPORT OF ITS APPLICATION FOR APPROVAL OF LOW-INCOME ASSISTANCE
PROGRAMS AND BUDGETS FOR PROGRAM YEARS 2012-2014**

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I.

INTRODUCTION

Pursuant to Rule 13.11 of the California Public Utilities Commission (Commission) and Assigned Commissioner and Administrative Law Judge's Joint Scoping Memo and Ruling,¹ Southern California Edison Company (SCE) respectfully files its Opening Brief in support of its Application for Approval of Low-Income Assistance Programs and Budgets for Program Years 2012-2014, Application (A.)11-05-017, filed on May 16, 2011 (SCE's Application) on the issues

¹ Assigned Commissioner and Administrative Law Judge's Joint Amended Scoping Memo and Ruling, dated January 26, 2012.

in this Low-Income Assistance Programs Application proceeding. This Opening Brief follows the submission of direct and rebuttal testimony, in which the following parties participated: the Division of Ratepayer Advocates (DRA), the Utility Reform Network (TURN), the National Consumer Law Center (NCLC), National Housing Law Project (NHLP), California Housing Partnership Corporation (CHPC), the Natural Resources Defense Council (NRDC), San Francisco Community Power (SFCP), the Center for Accessible Technology (C4AT), the Energy Efficiency Council (Efficiency Council), the Utility Workers Union of America Local 132, Niagara Conservation Corporation (Niagara), Proteus, the National Asian American Coalition (NAAC), the Black Economic Council, Latino Business Chamber of Greater Los Angeles (LBCGLA), Brightline Defense Project (Brightline), California Large Energy Consumer Association (CLECA), Opower, Inc., Synergy Companies, Green For All (G4A), the Greenlining Institute (Greenlining), the Joint Committee on Energy and Environmental Policy (Joint Committee), the East Los Angeles Community Union / the Maravilla Foundation / the Association of California Community and Energy Services (TELACU/Maravilla/ACCES), La Cooperativa Campesina de California, Pacific Gas and Electric Company (PG&E), San Diego Gas & Electric Company (SDG&E) and Southern California Gas Company (SoCalGas) (collectively referred to as Sempra), and SCE.²

SCE's Application complies with the Commission's directive regarding the Programmatic Initiative and the proposed budgets accurately reflect the forecasted participation

² In addition to its testimony and rebuttal testimony, SCE responded to a number of data requests in this proceeding, and has filed comments in response to Administrative Law Judge's Ruling Seeking Comments, Set No. 1, dated December 28, 2011. SCE will not repeat here all previous comments made or revisit all of its requests made in its Application and supporting Testimony. See *Testimony of Southern California Edison Company in Support of Its Application for Approval of Its California Alternate Rates for Energy (CARE), Energy Savings Assistance, and Cool Center Programs and Budgets for 2012-2014*, submitted May 16, 2011 (SCE's Testimony); See also *Rebuttal Testimony of Southern California Edison Company in Support of Its Application for Approval of Its California Alternate Rates for Energy (CARE), Energy Savings Assistance, and Cool Center Programs and Budgets for 2012-2014*, submitted December 9, 2011 (SCE's Rebuttal Testimony); See also *Southern California Edison Company's Responses to Administrative Law Judge's Ruling Seeking Comments Set No. 1*, filed January 13, 2012 (SCE's Category 1 Responses); See also *Southern California Edison Company's Responses to Administrative Law Judge's Ruling Seeking Comments Set No. 1*, filed January 23, 2012 (SCE's Category 2 Responses).

of expected eligible households for SCE's Energy Savings Assistance (ESA), California Alternate Rates for Energy (CARE), and Cool Center programs. Program budgets and cost-effectiveness are presented according to guidance provided by the Commission.

SCE's Application was developed to enroll and deliver ESA program measures to the second quartile of eligible households willing to participate by 2014, pursuant to the Commission's ambitious goals set forth in its Programmatic Initiative. In its Application, SCE seeks to provide all eligible services to each participating household with greater efficiency and value, improve program cost-effectiveness, and increase energy savings. With respect to CARE, in the 2009-2011 cycle, SCE's program administration and marketing efforts to newly eligible CARE customers caused CARE penetration (the ratio of enrolled households to estimated income-eligible households) to reach 99%. SCE will continue its program enrollment, verification, and recertification efforts in order to maintain this success. Finally, SCE's Cool Center Program will continue to provide services to communities located in extreme climate areas where few public facilities are available for use to offer relief from the heat during the hot summer months.

II.

THE COMMISSION SHOULD ADOPT SCE'S APPLICATION

A. SCE's ESA Program Proposals Meet the Commission's Goals and Should be Adopted

In the 2012-2014 ESA program cycle, SCE plans to augment the multi-faceted approach that is used to deliver ESA program services to eligible customers.³ This approach has been successful and should be approved by the Commission. SCE is currently ahead of schedule in offering ESA program services to all income-eligible customers reflected in the goals of the

³ SCE's Application, p. 7; SCE's Testimony (SCE-1), p. 8, lines 3-4.

Commission's California Energy Efficiency Strategic Plan (Strategic Plan).⁴ SCE's 2011 success combined with enhanced outreach methods and business practices places SCE in an excellent position to achieve the treated home goal established for the 2012-2014 budget period.⁵ Indeed, if the Commission approves SCE's Application as requested, SCE anticipates it will treat another 25% of eligible homes during the 2012-2014 program period, achieving 50% of the Commission's Programmatic Initiative by December 2014.⁶ During the upcoming program cycle, SCE has also set a goal of serving customers with comprehensive measures in multi-family dwelling units in proportion with their representation in the overall housing stock for low income customers.⁷

The Strategic Plan includes a second goal to increase cost-effectiveness and long-term savings. SCE's Application provides for SCE to continue offering comprehensive energy efficiency services with installation of long-term energy savings appliances such as evaporative coolers and refrigerators.⁸ Also, the ESA program will be integrated with core energy efficiency programs to achieve economies of scale. ESA will also be leveraged with State, Federal, and local programs to streamline and improve customer identification and program delivery.⁹ Overall, the ESA program is expected to deliver reliable resource and customer benefits that extend well beyond the conclusion of the 2012-2014 program cycle.

⁴ SCE's Application, p. 5; SCE's Testimony (SCE-1), p. 4, lines 24-25.

⁵ See California Energy Efficiency Strategic Plan – January 2011 Update, available at http://www.cpuc.ca.gov/NR/rdonlyres/A54B59C2-D571-440D-9477-3363726F573A/0/CAEnergyEfficiencyStrategicPlan_Jan2011.pdf [as of February 1, 2012]. See also D.08-11-031, Ordering Paragraph (O.P.) 48 at p. 228 (for the total number of homes to be treated by SCE during the 2009-2011 program cycle to meet the Commission's Programmatic Initiative). See also SCE's Application, p. 5, and SCE's Testimony (SCE-1), p. 4, line 25 – p. 5, line 1 (for the number of homes SCE estimates to have treated by the end of the 2009-2011 program cycle).

⁶ SCE's Application, p. 5; SCE's Testimony (SCE-1), p. 13, lines 23-26.

⁷ SCE's Application, pp. 28-30; SCE's Testimony (SCE-1), p. 58, line 4 – p. 60, line 21.

⁸ SCE's Application, p. 5; SCE's Testimony (SCE-1), p. 5, lines 2-4.

⁹ SCE's Application, p. 5; SCE's Testimony (SCE-1), p. 5, lines 4-7.

While measures such as replacing inefficient refrigerators and central air conditioners are expected to produce long-term energy savings, Energy Education also plays a prominent role in SCE's 2012-2014 Application.¹⁰ Specifically, SCE is redesigning its Energy Education component to incorporate Edison SmartConnect-related information and services, and, with the advent of smart meters, SCE is encouraging all customer segments to actively engage in Edison SmartConnect-enabled benefits.¹¹ Moreover, in conjunction with the joint investor-owned utilities (IOUs), SCE anticipates conducting a focused research effort to maximize the benefits of the educational component of the program, in part, by better understanding the customer's current knowledge and informational needs.¹²

SCE's budget has been developed to support achievement of the Commission's Programmatic Initiative that all eligible customers will be given the opportunity to participate in the ESA program by 2020. SCE's 2009-2011 program treated over 25% of homes identified to be treated by 2020.¹³ SCE proposes to treat another 25% of remaining homes in 2012-2014.¹⁴ SCE expects to have achieved 50% of the Commission's Programmatic Initiative by December 2014, by treating 220,000 eligible homes over the 2012-2014 cycle with a three year budget request of \$185.2 million.¹⁵ The program is expected to provide energy savings of 96.5 million kWh over the 2012-2014 program cycle, and lifecycle savings of approximately 1.2 billion kWh.¹⁶

¹⁰ SCE's Application, p. 6.

¹¹ SCE's Application, p. 6; SCE's Testimony (SCE-1), p. 5, lines 9-14.

¹² SCE's Application, p. 8; SCE's Testimony (SCE-1), p. 82, line 18 – p. 83, line 10.

¹³ SCE's Application, p. 5; SCE's Testimony (SCE-1), p. 7, lines 4-5.

¹⁴ SCE's Application, p. 5; SCE's Testimony (SCE-1), p. 13, lines 24-25.

¹⁵ SCE's Application, pp. 2, 5; SCE's Testimony (SCE-1), p. 13, lines 25-27.

¹⁶ SCE's Application, p. 10; SCE's Testimony (SCE-1), p. 14, lines 17-19.

B. SCE's Proposed Mix of Measures is Appropriate and Should be Adopted

SCE has proposed the installation of a broad mix of measures, which takes into consideration cost-effectiveness, energy savings, as well as health, safety and comfort benefits to help reduce the energy cost burden of low-income households. SCE's measure mix is reasonable and appropriate, and should be adopted by the Commission. SCE proposes to continue offering low cost measures such as compact fluorescent lights (CFLs), exterior hardwired CFL fixtures and CFL torchieres.¹⁷ SCE also plans to add power-saving surge protectors to help address the issue of "vampire load."¹⁸ Vampire load is the power consumed by electronic devices while devices are in "standby" or "off" mode. According to a 2008 technical brief conducted by the California Energy Commission's Public Interest Energy Research (PIER) Program, vampire load accounts for roughly 4% of the total household electricity used in California.¹⁹ To help low-income customers reduce their energy consumption, SCE is proposing to replace or install energy-saving power strips that can automatically eliminate vampire load off electronic, peripheral devices when an electronic control device is in "standby" or "off" mode.²⁰

Although the low cost measures discussed above are among the most cost-effective measures available, they provide a relatively small reduction to the customer's total energy burden, especially in SCE's extreme climate zones where customers typically use more energy, pay higher energy bills, and face greater concerns related to health, safety, and comfort due to

¹⁷ SCE's Testimony (SCE-1), p. 30, line 18 – p. 31, line 3.

¹⁸ SCE's Testimony (SCE-1), p. 12, lines 1-9, & p. 76, lines 2-12.

¹⁹ California Energy Commission's Public Interest Energy Research Program Technical Brief, Energy Use of Household Electronics: Taming the Wild Growth, dated September, 2008. Available at <http://www.energy.ca.gov/2008publications/CEC-500-2008-064/CEC-500-2008-064-FS.PDF> [as of February 1, 2012]. See also SCE's Application, pp. 8-9; SCE's Testimony (SCE-1), p. 11, lines 10-12.

²⁰ SCE's Application, p. 9; SCE's Testimony (SCE-1), p. 12, lines 1-7.

extreme heat. Therefore, SCE also proposes to continue providing higher cost measures such as the replacement of old, inefficient cooling measures.²¹ Although these cooling measures tend to have the lowest cost-effectiveness due to their relatively high preinstalled unit costs, these measures provide the greatest long-term enduring energy savings and the most peak demand reduction per household, and significant health, safety and comfort benefits to customers.²² Moreover, the installation of energy efficient cooling measures provides meaningful reductions in the electric bills of participating households in the most extreme climate zones in which over 40% of SCE's low-income customers reside.²³

In the 2009-2011 program cycle, SCE replaced refrigerators built prior to 1993 with ENERGY STAR®-qualified units throughout SCE's service area. SCE is proposing to expand replacement criteria for refrigerators by replacing units built prior to 1998.²⁴ This change will increase the quantity of refrigerators replaced in 2012 – 2014 and will increase the long-term durable savings produced through the ESA program. SCE is proposing to replace existing single-speed pool pumps with high efficiency variable-speed pool pumps in 2012 – 2014.²⁵ Variable-speed pool pumps will provide customers with long-lasting energy savings and significant demand reductions.

SCE also proposes to retire certain efforts during the 2012 – 2014 program cycle. First, SCE intends to retire the central air conditioner (AC) service measure and evaporative cooler maintenance measure where ESA program contractors go back to maintain central ACs and

²¹ SCE's Application, p. 5; SCE's Testimony (SCE-1), p. 5, lines 2-4.

²² SCE's Testimony (SCE-1), p. 30, lines 11-15, p. 67, lines 19-22, & p. 68, lines 9-14.

²³ SCE's Testimony (SCE-1), p. 13, lines 12-15, p. 33, Table II-3, & p. 77, lines 12-14.

²⁴ SCE's Application, pp. 17, 37; SCE's Testimony (SCE-1), p. 32, lines 8-9, & p. 73, lines 9-10.

²⁵ SCE's Application, p. 33; SCE's Testimony (SCE-1), p. 12, lines 11-12, p. 13, lines 17-18, & p. 72, lines 8-16.

evaporative coolers previously installed through the ESA program.²⁶ Retiring these service measures will help prioritize program funds to focus on the installation of new measures such as variable-speed pool pumps. SCE also does not plan to continue its 2009 – 2011 initiative to integrate and leverage the ESA program into the residential new construction energy efficiency program (California Advanced Homes Program).²⁷ SCE’s efforts to develop builder interest in this initiative during 2009 – 2011 suffered due in large part to changed economic conditions resulting in a significant decline in residential new construction in SCE’s service area. Due to the ongoing slowdown in residential construction, SCE does not propose to continue this initiative in the 2012 – 2014 cycle.

C. SCE’s Current ESA Program Outreach, Education and Enrollment Plan Will Maintain Successful Enrollment of Eligible Low Income Customers

In the Scoping Memo, the ALJ requested that the IOUs review current ESA program outreach and enrollment practices and efforts and explore ways to improve them including energy education.²⁸ SCE plans to continue its current outreach activities to help customers move through the discovery, activation, and participation engagement cycle.²⁹ These activities include outreach events, bill inserts, direct mail, and outbound calling with the option to “Direct Connect” to a service provider. SCE also plans to strengthen the ESA program’s outreach by using social media tools along with the results from SCE and PG&E’s jointly-funded “Low-

²⁶ SCE’s Application, p. 9; SCE’s Testimony (SCE-1), p. 13, lines 4-15.

²⁷ SCE’s Application, p. 9; SCE’s Testimony (SCE-1), p. 12, lines 18-23.

²⁸ Assigned Commissioner and Administrative Law Judge’s Joint Amended Scoping Memo and Ruling, dated January 26, 2012, p. 3, Issue I.

²⁹ SCE’s Application, p. 17; SCE’s Testimony (SCE-1), p. 33, line 15 – p. 35, line 17.

Income Energy Efficiency Program Household Segmentation Study.”³⁰ CARE customers can be identified with a particular segment and the segmentation profiles will allow SCE to develop targeted marketing and outreach efforts that will address issues and knowledge gaps specific to various customer segments.³¹ Moreover, SCE will work with the other IOUs to develop a recognizable and trustworthy brand/tagline for the ESA programs.³² SCE will also partner with SoCalGas to create a joint electronic enrollment form to streamline the enrollment process for customers and contractors, and will continue to enroll customers through the paperless enrollment process using electronic tablet PCs.³³

Additionally, SCE proposes that Energy Education should be provided to all income-eligible customers prior to assessing the home for feasible measures.³⁴ Customers will be more comfortable with the ESA program if they are first made aware of the reasons for the program and the role they can take in saving energy and improving the environment. SCE’s in-home Energy Education assists customers in learning about the cost of their energy usage, the benefits of energy conservation and measures, and the importance of energy and appliance safety. In-home Energy Education increases customer knowledge and familiarity with the program. When delivered effectively, Energy Education empowers customers to use the program services being provided in a more efficient manner, and serves as a permanent resource for customers in managing their respective energy needs and costs. SCE proposes to redesign its ESA program Energy Education component to incorporate Edison SmartConnect-related information and

³⁰ “Low Income Energy Efficiency (LIEE) Household Segmentation Research” study (Study ID # SCE0271.1) conducted by Hiner & Partners for SCE, dated December 2011. *Available at* http://www.calmac.org/publications/SCE_LIEE_Segmentation_Report.pdf [as of February 2, 2012].

³¹ SCE’s Application, p. 14; SCE’s Testimony (SCE-1), p. 25, line 15 – p. 26, line 1, & p. 45, lines 6-8.

³² SCE’s Application, p. 25; SCE’s Testimony (SCE-1), p. 50, lines 6-16.

³³ SCE’s Application, p. 7; SCE’s Testimony (SCE-1), p. 10, lines 1-6, & p. 28, lines 21-23.

³⁴ SCE’s Application, p. 14; SCE’s Testimony (SCE-1), p. 19, lines 1-4.

services.³⁵ The ESA program needs to leverage the presence of outreach workers *in all income eligible homes* to inform customers of behaviors and actions that can assist them in achieving energy efficiency and cost savings potential, and better overall environmental stewardship.

D. The Commission Should Authorize SCEs Proposed Measurement & Evaluation (M&E) Studies and Create a Standardization Working Group

SCE requests authorization to conduct two M&E studies to help inform current and future program design and implementation using information from past program assessments.³⁶ The Impact Evaluation and Energy Education Evaluation studies will be performed jointly among the IOUs.³⁷

The Impact Evaluation will serve two key purposes: a) estimate the energy savings accomplishments of the ESA program during the 2012-2014 program cycle; and b) facilitate the understanding of how, what, and where energy saving measures can be delivered to generate maximum benefit and savings for future program development.³⁸ The Impact Evaluation will provide savings estimates that can be used in preparing the 2015-2017 ESA program applications using a methodology that will produce reliable energy savings estimates for program measures.

The Energy Education Evaluation will provide a systematic examination of the current and potential value of the education provided to customers.³⁹ Changing customer behavior is consistently cited as one of the most successful approaches to producing enduring and long-term

³⁵ SCE's Application, p. 6; SCE's Testimony (SCE-1), p. 5, lines 8-14.

³⁶ SCE's Application, p. 8; SCE's Testimony (SCE-1), p. 10, line 7 – p. 11, line 7.

³⁷ Detailed descriptions of each study as well as the types of studies anticipated in the latter category are provided in SCE's Testimony (SCE-2), Appendix A, Attachment A-9.

³⁸ SCE's Application, p. 8; SCE's Testimony (SCE-1), p. 10, lines 15-20.

³⁹ SCE's Application, p. 8; SCE's Testimony (SCE-1), p. 10, line 22 – p. 11, line 6.

energy savings. With the advent of smart meters, SCE is committed to encouraging all customer segments to actively engage in Edison SmartConnect-enabled benefits as well as other kinds of educational or informational sources that can support behavior-based savings opportunities. As described by Opower in reporting on the results of their services, “...behavior-based efficiency programs have the potential to significantly increase the number of homes served, generate energy savings, improve program cost-effectiveness, boost customer education, and lift program participation within the Energy Savings Assistance Program.”⁴⁰ Behavioral savings programs, such as the ones proposed by OPower, are more appropriate in our residential energy efficiency portfolio of programs, as the per home potential is much greater. Additionally, SCE’s enhanced in-home Energy Education and the proposed Education Study have been designed to capitalize on a long-standing knowledge of program operations and the low income customers’ needs in an effort to support such behavior-based savings opportunities.

Research findings from the 2009-2011 program cycle⁴¹ suggest that exploring more ways to maximize the benefit of customer education may produce additional meaningful savings benefits for low-income customers. Moreover, the proposed research results will inform the program design as well as other identified customer needs or gaps in knowledge that would

⁴⁰ Opower Prehearing Conference Statement, dated August 1, 2011, pp. 1-2.

⁴¹ “Impact Evaluation of the 2009 California Low-Income Energy Efficiency Program” (Study ID # SCE0273.01) conducted by EcoNorthwest for the CPUC, dated June 16, 2011, *available at* http://www.calmac.org/publications/LIEE_FINAL_2009_Impact_Eval_Report.pdf [as of February 2, 2012]; “Low Income Energy Efficiency Program 2009-2010 Process Evaluation” (Study ID # PGE0298.01) conducted by Research Into Action for the CPUC, dated June 10, 2011, *available at* http://www.calmac.org/publications/LIEEFinal_Report_w_study_number.pdf [as of February 2, 2012]; “Low Income Energy Efficiency (LIEE) Household Segmentation Research” study (Study ID # SCE0271.1) conducted by Hiner & Partners for SCE, dated December 2011. *Available at* http://www.calmac.org/publications/SCE_LIEE_Segmentation_Report.pdf [as of February 2, 2012]; “Low Income Energy Efficiency (LIEE) High Usage Needs Assessment” (Study ID # SCE0272.01) conducted by Hiner & Partners for SCE, dated September 1, 2011, *available at* http://www.calmac.org/publications/FINAL_SCE_High_Usage_Needs_Assessment_Report_090911.pdf [as of February 2, 2012].

enable customers to proactively manage household activities and behaviors relevant to energy use.⁴²

In its rebuttal testimony, SCE also proposes a Standardization Working Group to update installation standards and facilitate best practices.⁴³ A Standardization Working Group would be useful to respond to utility needs for program changes in a systematic way that can lead to recommendations for Commission consideration. Moreover, the Working Group can contribute to program efficiency by promoting best practices and providing regulators and IOUs with tools to design sound policies and optimize installations and systems. Finally, it creates a platform on which to exchange information and develop a common general strategy for the improvement of the ESA program.

E. SCE's Application Complies with Workforce Education and Training Directives in the Strategic Plan

The Strategic Plan⁴⁴ adopts goals for Workforce Education and Training (WE&T). SCE in testimony describes the training it currently provides to contractors, particularly CBOs, that are situated in low-income and disadvantaged communities, and that provide jobs within these communities.⁴⁵ SCE is proposing to provide additional training to its current suite of courses that will not only increase the effectiveness of service providers in providing ESA program services, but will also provide skills that can create additional employment opportunities for

⁴² SCE's Application, p. 40; SCE's Testimony (SCE-1), p. 83, lines 2-5.

⁴³ SCE's Rebuttal Testimony (SCE-3), p. 10, line 12 – p. 11, line 3.

⁴⁴ Adopted in D.08-09-040. January 2011 Update available at http://www.cpuc.ca.gov/NR/rdonlyres/A54B59C2-D571-440D-9477-3363726F573A/0/CAEnergyEfficiencyStrategicPlan_Jan2011.pdf [as of February 2, 2012].

⁴⁵ SCE's Testimony (SCE-1), p. 35, line 18 – p. 36, line 17.

workers in the ESA program.⁴⁶ The expanded catalog would focus on computer-based training (CBT) for advanced computer skills, effective communication, and customer service skills.

All of the developed skill sets would not only be applicable for the employees' current jobs, but could also be transferred to other fields thereby creating a potential new career path for individuals working in the ESA program. To increase trainee knowledge, SCE proposes creating workshops that will educate participants about the regulated electric industry, and how energy efficiency programs are structured within this environment in order to enhance the Energy Education component of the program.⁴⁷ To ensure high-quality installations and maximize energy savings, SCE will provide additional technical training related to the installation of measures and delivery of services provided under the ESA program.

SCE does not support any changes to its current ESA program relationships with contractors, community based organizations, or community colleges. Changes proposed by some parties include specified hiring goals, data tracking requirements, contractor selection criteria, and sourcing outreach jobs currently fulfilled in many cases by CBOs from specific training programs. These changes would likely result in significant increased costs, which would be detrimental to the ESA program. The IOUs are currently under no requirement under the Strategic Plan to integrate the ESA program into their Sector Strategy Action Plans as outlined in the Joint IOUs WE&T Advice Letter.⁴⁸ Finally, the WE&T Taskforce meetings are a potential venue for interested stakeholders to collaborate on WE&T-related matters in energy efficiency.

⁴⁶ SCE's Application, pp. 26-27; SCE's Testimony (SCE-1), p. 52, line 23 – p. 53, line 5.

⁴⁷ SCE's Application, pp. 15-17; SCE's Testimony (SCE-1), p. 28, lines 4-9.

⁴⁸ Advice 2588-E-B, approved effective October 29, 2011.

F. SCE's Proposed CARE Outreach Budget and Verification Proposals are Reasonable

SCE has proposed a CARE outreach budget that will enable SCE to continue outreach activities essential to maintaining high CARE penetration in 2012-2014.⁴⁹ SCE describes these outreach activities in its Application and they include but are not limited to the mandated annual solicitation to non-CARE customers, printing and postage expenses for program recertifications and verifications, multiple customer letters and Interactive Voice Response (IVR) outbound alerts that CARE customers receive in order to maintain program enrollments.⁵⁰

SCE recognizes the value of the current self-certification enrollment process, in that it removes enrollment barriers for customers who need the assistance provided by the CARE program. As CARE participation has grown, however, it is important that customers are aware that program eligibility is subject to verification. During the 2009 – 2011 program cycle, SCE implemented a verification model that selects customers for verification using a stratified random sampling process where all customers have some identified probability of being selected for income verification, with the probability increasing for high energy users, taking into consideration climate and household size.⁵¹ SCE implemented this model in part, because it is a reasonable hypothesis that customers using more energy may have higher incomes,⁵² and perhaps a greater probability of exceeding income guidelines for CARE. SCE also increased its CARE verification levels from 1% to 5% of participating customers annually in January 2012.

⁴⁹ SCE's Application, p. 52, Table VI-4; SCE's Testimony (SCE-1), p. 97, Table III-7.

⁵⁰ SCE's Application, p. 55; SCE's Testimony (SCE-1), p. 101, line 8 – p. 102, line 21.

⁵¹ SCE's Application, p. 56; SCE's Testimony (SCE-1), p. 103, lines 14-23.

⁵² "Low Income Energy Efficiency (LIEE) High Usage Needs Assessment" (Study ID # SCE0272.01) conducted by Hiner & Partners for SCE, dated September 1, 2011, *available at* http://www.calmac.org/publications/FINAL_SCE_High_Usage_Needs_Assessment_Report_090911.pdf [as of February 2, 2012].

During the 2012-2014 program cycle SCE proposes to modify its CARE income verification policy in a manner that complements the Commission's goal to enroll all eligible and willing customers on CARE.⁵³ Data that may be considered for use in the model are high-energy use within specific climate zones or housing types, and market research or credit reporting data.⁵⁴ Entry onto CARE through programs such as the ESA program, SCE's Energy Assistance Fund, or other categorical eligibility, programs where customers have recently verified income may also influence the probability of being selected to verify income.⁵⁵

SCE also proposes to extend the income verification requirement from 12 to 24 months for customers who do not initially respond to a verification request.⁵⁶ However, if at any time during the 24 months customers verify eligibility, they will be placed back on CARE. After 24 months, customers will be able to enroll in CARE by self-certifying their household and income eligibility. Finally, SCE may develop an outreach plan to encourage customers to remove themselves from the CARE rate when they are no longer eligible.⁵⁷

To the extent that the Commission adopts proposals by the other utilities related to CARE income verification, SCE requests that these options be available to all utilities.

⁵³ SCE's Application, pp. 58-59; SCE's Testimony (SCE-1), p. 105, lines 10-12.

⁵⁴ SCE's Testimony (SCE-1), p. 106, lines 5-7.

⁵⁵ SCE's Application, p. 58; SCE's Testimony (SCE-1), p. 106, lines 9-11.

⁵⁶ SCE's Application, p. 58; SCE's Testimony (SCE-1), p. 105, line 22 – p. 106, line 2.

⁵⁷ SCE's Testimony (SCE-1), p. 105, lines 20-21.

G. SCE Proposes One Minor Change to Fund Shifting Rules

The Scoping Memo provides for a review and clarification of the Commission's Fund Shifting rules.⁵⁸ SCE proposes one change to the ESA program fund shifting guidance established in Decision (D.)10-10-008. SCE recommends that carrying funds forward or backward within the authorized 2012 -2014 ESA program cycle Commission approved budget should not be considered fund shifting if the funds that are carried forward or backward remain within the budgeted category.⁵⁹ This is because carrying funds forward or backward within a budgeted category does not constitute a shifting of funds from one budget category to another.

H. SCE Plans to Continue to Coordinate the ESA Program with Energy Efficiency and Demand-Side Management Programs to Achieve Seamless Service Offerings

SCE is pursuing a number of strategies that will significantly leverage the presence of SCE's demand-side management portfolio, especially energy efficiency programs and customer assistance programs.⁶⁰ The goal is to create greater awareness of the ESA and CARE programs and provide additional benefits and increased participation by low-income customers in complementary programs. As described in detail in SCE's Testimony and subsequent comments submitted in response to Administrative Law Judge Kim's Ruling dated December 28, 2011, SCE's income-qualified programs advance comprehensive energy efficiency measures including whole-house solutions, raising plug load efficiency, raising performance standards, leveraging local government opportunities and demand-side management integration. Specifically, SCE will create additional energy savings by leveraging integration opportunities through inter-

⁵⁸ Assigned Commissioner and Administrative Law Judge's Joint Amended Scoping Memo and Ruling, dated January 26, 2012, p. 4, Issue R.

⁵⁹ SCE's Application, p. 44; SCE's Testimony (SCE-1), p. 87, lines 6-15.

⁶⁰ SCE's Application, pp. 16, 28; SCE's Testimony (SCE-1), p. 29, line 3 – p. 30, line 8.

program referral and data sharing, and the bundling of DSM solutions across energy efficiency, demand response, California Solar Initiative and other efforts.

I. The Commission should categorize homes that receive only energy education from an IOU as “Infeasible Homes”

The Commission defined a “treated home” in Decisions 02-07-033 and 02-12-019 as “an income qualified home that has received any measure or service under the LIEE program including energy education, CFL lamps, weatherization and/or appliances.”⁶¹ Due to current guidelines imposed by the three-measure minimum rule, SCE is unable to install CFLs in homes where no other measures are feasible for installation.⁶² CFLs should be installed when feasible at the time of assessment,⁶³ without consideration of whether other measures can be installed during a return visit in order to comply with the three-measure minimum rule. Unlike claims in the general residential market, there is no such claim that the transformation of CFLs in low-income communities has occurred.

SCE believes that the number of homes where no measures can be installed under current program guidelines is substantial, particularly in homes SCE serves in temperate climates.⁶⁴ While SCE has proposed adjustments to the measures offered under the program and elimination of the three measure minimum rule, SCE believes even with these modifications, some homes will not be able to receive measures other than in-home Energy Education. SCE believes a clearer indication of program activity would be to classify “treated homes” with no feasible

⁶¹ D.02-07-033, pp. 14-15; D.02-12-019, p. 8.

⁶² SCE’s Application, p. 37; SCE’s Testimony (SCE-1), p. 79, line 10 – p. 80, line 2.

⁶³ In the ESA program all incandescent light bulbs are removed by CBOs and CFLs are installed.

⁶⁴ SCE’s Application, p. 37; SCE’s Testimony (SCE-1), p. 80, lines 3-7.

measures as “infeasible homes.”⁶⁵ Customers in treated homes and infeasible homes have been given the opportunity to participate in the ESA program and represent progress toward achieving the Commission’s Programmatic Initiative.

III.

CONCLUSION

SCE appreciates the opportunity to provide these comments, and respectfully requests that the Commission adopt SCE’s Application.

Respectfully submitted,

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⁶⁵ SCE’s Testimony (SCE-1), p. 80, lines 3-7.