



FILED

05-21-12

04:59 PM

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking on the Commission's own motion to determine the impact on public benefits associated with the expiration of ratepayer charges pursuant to Public Utilities Code Section 399.8.

Rulemaking 11-10-003
(Filed October 6, 2011)

REPLY COMMENTS OF THE CALIFORNIA ENERGY EFFICIENCY INDUSTRY COUNCIL (EFFICIENCY COUNCIL) IN RESPONSE TO THE PHASE 2 PROPOSED DECISION ESTABLISHING PURPOSES AND GOVERNANCE FOR ELECTRIC PROGRAM INVESTMENT CHARGE AND ESTABLISHING FUNDING COLLECTIONS FOR 2013-2020

May 21, 2012

Steven Schiller
Board Chair
California Energy Efficiency Industry Council
436 14th Street, Suite 1020
Oakland, CA 94612
(916) 390-6413
sschiller@efficiencycouncil.org

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking on the Commission’s own motion to determine the impact on public benefits associated with the expiration of ratepayer charges pursuant to Public Utilities Code Section 399.8.

Rulemaking 11-10-003
(Filed October 6, 2011)

REPLY COMMENTS OF THE CALIFORNIA ENERGY EFFICIENCY INDUSTRY COUNCIL (EFFICIENCY COUNCIL) IN RESPONSE TO THE PHASE 2 PROPOSED DECISION ESTABLISHING PURPOSES AND GOVERNANCE FOR ELECTRIC PROGRAM INVESTMENT CHARGE AND ESTABLISHING FUNDING COLLECTIONS FOR 2013-2020

I. Introduction and Summary

The California Energy Efficiency Industry Council (Efficiency Council) respectfully submits this reply to comments submitted May 14, 2012 by parties in this proceeding in response to Administrative Law Judge Fitch’s “Phase 2 Decision Establishing Purposes and Governance for Electric Program Investment Charge and Establishing Funding Collections for 2013-2020” (PD), dated April 24, 2012. These reply comments are submitted in accordance with Rules 1.9 and 1.10 of the California Public Utilities Commission’s (CPUC or Commission) Rules of Practice and Procedure.

The Efficiency Council is a statewide trade association of non-utility companies that provide energy efficiency services and products in California.¹ Our member businesses, now numbering over 70, employ over 4,000 Californians throughout the state. They include energy service companies, engineering and architecture firms, contractors, implementation and evaluation experts, financing experts, workforce training entities, and manufacturers of energy

¹ More information about the Efficiency Council, including information about the organization’s current membership, Board of Directors, and antitrust guidelines and code of ethics for its members, can be found at www.energycouncil.org. The views expressed by the Efficiency Council are not necessarily those of its individual members.

efficiency products and equipment. The Efficiency Council's mission is to support appropriate energy efficiency policies, programs, and technologies that create sustainable jobs and foster long-term economic growth, stable and reasonably priced energy infrastructures, and environmental improvement.

The Efficiency Council appreciates the opportunity to provide these reply comments,² and it looks forward to continuing collaboration with other stakeholders to ensure California's efficiency leadership continues and that benefits to the state's economy are maximized. These comments are summarized as follows:

- The Efficiency Council agrees with many parties that support the PD's recommendation to establish 2013-2020 EPIC funding for RD&D.
- The Efficiency Council agrees with several parties that eligibility for EPIC funds should not be based on geography but on the benefits to utility customers.

II. Responses to Comments Submitted by Parties in Response to April 24, 2012 PD

The Efficiency Council agrees with a diverse group of parties that support the PD's recommendation to establish 2013-2020 EPIC funding for RD&D.

The Efficiency Council supports agreement among many parties filing April 24, 2012 comments addressing RD&D that the Commission should act to fund energy RD&D through the EPIC program from 2013- 2020. Natural Resources Defense Council et al (NRDC et al.)(p. 12), Pacific Gas & Electric Company (PG&E) (p.11), Marin Energy Authority (MEA) (p. 1), and Black Economic Council et al (p. 1) all support the PD in establishing a commitment through 2020. TURN is also generally supportive of the PD (p. 1). Failure to establish a long-term funding commitment risks the continued pipeline of new technologies and strategies required to support the state's goals of a clean, reliable and reasonably priced energy infrastructure, as well

² The parties to which we respond in these reply comments include Joint Parties of the Black Economic Council, Latino Business Chamber of Greater LA and the National Asian American Coalition (Black Economic Council et al), Consumer Federation of California (CFC), Joint Parties of Natural Resources Defense Council, the Union of Concerned Scientists, The Vote Solar Initiative, Sierra Club California, Californians for Clean Energy and Jobs, The Nature Conservancy, and the Ella Baker Center (NRDC et al.), Marin Energy Authority, Pacific Gas & Electric Company (PG&E), San Diego Gas & Electric Company (SDG&E), Silicon Valley Leadership Group (SVLG), Southern California Edison (SCE), The Utility Reform Network (TURN), and the University of California.

as specific goals of prioritizing cost-effective energy efficiency in the loading order, the 33% renewable portfolio standard, and AB 32 emissions reductions. The Efficiency Council therefore joins other parties in supporting the Commission's commitment through 2020.

In addition, the experience of Efficiency Council members indicates that the new energy technologies and strategies catalyzed through continued RD&D funding create jobs throughout our economy. Although we agree with the Black Economic Council et al. that the high unemployment rate in California compared to the national average means we need to be considering strategies to increase workforce employment (p. 2), we believe that all of the RD&D EPIC funding recommended in the PD supports job creation and the benefits are not limited to those generated by the \$2 million allocated in the PD to investment in workforce development (PD p. 54).

The Efficiency Council agrees with several parties that eligibility for EPIC funds should not be based on geography but on the benefits to utility customers, which the PD establishes. The location of the researchers' offices and projects is not necessarily relevant to the benefits of their work and should not automatically exclude them if they are in publicly owned utility (POU) territory.

The Efficiency Council agrees with several parties that support the PD's conclusions regarding the need for EPIC funds to be available for valuable research projects regardless of the location of the researchers. PG&E states that "projects proposed by universities or other entities situated in POU service areas could provide benefits to the IOUs' ratepayers and thus should not be excluded without an examination of the project to determine that there are sufficient benefits to IOU customers for the projects to be funded by the IOUs' ratepayers" (p. 13) but we agree with PG&E that projects that exclusively or predominantly support POU customers should not be funded through this program. The University of California also points out that "research innovations and technology breakthroughs that may benefit IOU ratepayers can occur anywhere, including at the UC Davis-Sacramento campus, UCLA, and UC Riverside, which are each located in the service territory of a POU" (p. 4), and therefore should not be categorically excluded. While SDG&E comments do not specifically call out the eligibility of projects in POU territory, they do correct several of the PD's statements on this issue to clarify that *electric*

ratepayer benefits are required for projects in POU territory (Appendix A p. 14-15), so we assume SDG&E is also supportive of the PD's approach on this issue. We disagree with TURN, which proposes limiting this eligibility in the PD (p. 3), although we agree that the continuing issue of POU vs IOU funding of programs should be addressed, albeit in a different forum.

III. Conclusion

The Efficiency Council appreciates the opportunity to offer this reply to comments on the Proposed Decision regarding the Phase 2 EPIC program. Efficiency Council believes it is critical to maintain stability in funding for RD&D programs that include energy efficiency in order to meet the state's energy and greenhouse gas reduction goals, as well as ensure savings for consumers and creation of jobs and economic benefits. The Efficiency Council looks forward to working with the Commission and other stakeholders to ensure the continuity in the state's energy efficiency programs.

Dated: May 21, 2012

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'S. Schiller', with a long horizontal flourish extending to the right.

Steven R. Schiller
Board Chair
California Energy Efficiency Industry Council
436 14th Street, Suite 1020
Oakland, CA 94612
(916) 390-6413
sschiller@efficiencycouncil.org