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STATE OF CALIFORNIA**

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

**REPLY COMMENTS OF PACIFIC GAS AND ELECTRIC COMPANY ON PROPOSED  
DECISION OF ALJ KIMBERLY KIM**

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# REPLY COMMENTS OF PACIFIC GAS AND ELECTRIC COMPANY ON PROPOSED DECISION OF ALJ KIMBERLY KIM

## I. INTRODUCTION

Pursuant to Rule 14.3 of the Commission's Rules of Practice and Procedure, Pacific Gas and Electric Company (PG&E) submits the following reply comments in response to opening comments submitted by DRA, Center for Accessible Technology (CforAT), Greenlining, Natural Resources Defense Council (NRDA), California Large Energy Consumers Association (CLECA), Green for All, La Cooperativa, The Utility Reform Network (TURN), California Housing Partnership Corporation/National Housing Law Project (CHPC/NHLP), National Consumer Law Center (NCLC), Energy Efficiency Council (EEC) and Southern California Edison Company (SCE).

## II. CARE

### A. PG&E Supports the PD's Efforts to Address Potentially Fraudulent CARE Participation.

PG&E appreciates the support of TURN, Greenlining, CLECA, and CforAT in their effort to address potentially fraudulent participation in CARE by households with usage greater than 600% of baseline.<sup>1</sup> PG&E is prepared to implement the approach the Commission adopts in the proposed decision or the modified approach PG&E outlined in its December 9, 2011 Reply Testimony.<sup>2</sup>

In DRA's Opening Comments, it challenges the legality of the approach adopted in the PD on the grounds that without the appeals process, the approach is inconsistent with Public Utilities Code Sections 382 and 739.1, which only references income as a qualifying factor. PG&E disagrees with DRA's legal argument. PUC Section 382(b), which authorizes the CARE program, directs the Commission to provide assistance only for customers with legitimate need. Specifically, Section 382(b) authorizes the CARE program "to meet *legitimate* needs of electric and gas customers who are unable to pay their electric and gas bills *and who satisfy eligibility criteria for assistance...*" (emphasis added). Therefore, the Commission has discretion and indeed the responsibility to ensure that those customers participating in the CARE program have legitimate needs.

Nevertheless, should the Commission chose to adopt the appeals process set forth in PG&E's December 9 Reply Testimony, PG&E believes that this process is also consistent with the legislative parameters. In addition, regardless of the high usage parameters ultimately adopted by the Commission, PG&E will ensure that (1) the forms notifying high usage CARE customers of the additional

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<sup>1</sup> TURN Opening Comments, p. 10; CLECA Opening Comments, p. 2-3; CforAT Opening Comments, p. 7; Greenlining Opening Comments, p. 8.

<sup>2</sup> PG&E Reply Testimony, December 9, 2011, p. 4-5.

requirements to remain on the program include conspicuous information regarding the availability of the forms in large print and alternate languages; (2) forms sent to high usage customers notify such customers of Medical Baseline and energy efficiency programs; and (3) the ESA Program contractors visiting these high usage households are trained to make referrals to the Medical Baseline program.<sup>3</sup>

**B. PG&E Will Be Prepared to Implement the PD's Increased PEV and Proof-Of-Income Approach.**

In response to parties' concerns to increased levels of income verification during PEV or Recertification,<sup>4</sup> PG&E will work to mitigate issues with the PEV process that may be driving non-responsiveness. Additionally, for customers that receive cash-only compensation, and are unable to provide a state or federally verified proof of income, PG&E proposes to create an alternative method of verification.<sup>5</sup> These customers would be requested to provide independently verifiable documentation, such as the name, address, and phone number of their employer(s) and income source(s).

**III. ESA PROGRAM**

**A. It Is Unnecessary to Make Changes to the ESA Program Regarding Furnaces and Hot Water Heaters in Rental Housing.**

CHPC/NHLP, NCLC, TURN, NRDC, DRA, and Green For All have called for making Furnace and Hot Water Heater Repair and Replacement available for renters through the ESA Program.<sup>6</sup> PG&E opposes parties' call to change ESA Program criteria prohibiting installation of these heating and hot water measures for renters at this time. Both of these measures are already available to landlords through other PG&E energy efficiency programs, such as Energy Upgrade California (EUC) and Multi-family Energy Efficiency Rebate Program (MFEER). Thus, multi-family buildings are not prohibited from receiving these measures through PG&E programs. PG&E has been working closely with these programs to integrate its offerings and make them seamlessly available to multi-family customers through a "one-stop-shop" approach.

PG&E appreciates CHPC/NHLP's clarification that they are not recommending that furnace and water heater repair/replacement be offered in multifamily rental buildings at no cost to the landlord.<sup>7</sup> PG&E has previously registered its support for these measures being available to building owners through rebate or co-pay options.<sup>8</sup> Landlords and building operators are already encouraged to install equipment that is more energy efficient and have full access to these measures through PG&E's energy

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<sup>3</sup> See outreach issues raised by CforAT Opening Comments, p. 9.

<sup>4</sup> CforAT Opening Comments, p. 5; Greenlining Opening Comments, p. 9; TURN Opening Comments, p. 14.

<sup>5</sup> PG&E Reply Testimony, December 9, 2011, p. 4-5.

<sup>6</sup> CHPC/NHLP Opening Comments, pp.5-11; NCLC Opening Comments, pp.6-11; TURN Opening Comments, p. 9; NRDC Opening Comments, p.6; DRA Opening Comments, p.14; Green For All's Opening Comments, pp.4-5.

<sup>7</sup> CHPC/NHLP Opening Comments, p.6.

<sup>8</sup> PG&E Reply Testimony, December 9, 2011, p.24-25.

efficiency rebate and whole building retrofit programs. These programs are a more appropriate venue for providing energy efficiency in building common areas, as the ESA Program is designed to provide measures at no-cost to the low income household. Budget applications for the Energy Efficiency Program portfolio are being developed now in the Energy Efficiency proceeding under Commissioner Ferron and would be a more appropriate venue for addressing funding and rebate levels.

CHPC/NHLP note that rebates are not high enough to incent building owners to take action.<sup>9</sup> Determining appropriate incentive levels to motivate building owners should be addressed through the Energy Efficiency Program Proceeding, and not through the ESA Program. The ESA program is chiefly concerned with providing energy efficiency benefits directly to low income households that cannot afford them. The program is simply not directed toward incenting landlords to purchase equipment.

**B. PG&E Is Not Opposed to Exploring Expedited Enrollment for Multi-Family Housing, as Requested by NCLC.**

NCLC urge the Commission to directly address and adopt expedited enrollment for multi-family buildings.<sup>10</sup> They state that this is already implemented by the California Department of Community Services and Development (CSD) for the US Department of Energy’s Weatherization Assistance Program (WAP), and that the US Department of Housing and Urban Development (HUD) stands ready to indicate which of its buildings have 80% ESA Program Low Income-qualifying enrollment. HUD housing is required to have 66% resident households qualifying at the 200% Federal Poverty Level (FPL) criteria used by the ESA Program. The CSD program criteria are not exactly the same as the ESA Program, and there are differences in income criteria that are yet to be worked out between CSD and the IOUs, per Commission direction in this PD. However, PG&E is not opposed to also discussing implementing an expedited enrollment process with HUD.

**C. PG&E Does Not Agree with CHPC/NHLP that Housing Subsidies Should No Longer Be Counted as Qualifying Income.**

CHPC/NHLP recommends the Commission exclude “Housing Subsidies” from the definition of income in this Decision.<sup>11</sup> PG&E disagrees and believes that housing subsidies should be retained as a source of income for equity considerations, as previously discussed by SCE: Currently, HUD tenant subsidies are tied to household income with housing costs not to exceed 30% of income. Low income tenants in market-based housing are paying up to 50% of their income on housing. If the ESA Program were to eliminate housing subsidies from income qualification, a customer living in a market-based apartment with income at 210% of Federal Poverty Guidelines (FPG) and housing costs at 50% of his or

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<sup>9</sup> CHPC/NHLP Opening Comments, p.10.

<sup>10</sup> NCLC Opening Comments, p.2.

<sup>11</sup> CHPC/NHLP Opening Comments, p.2.

her income would be denied ESA Program services. However, a HUD-subsidized tenant with income at 200% of FPG and housing costs subsidized down to 30% of his or her income would be approved for ESA Program services. Scarce ESA Program funding should go to those with the greatest need.<sup>12</sup>

Tenants are already getting benefits of subsidized housing, in buildings that are eligible for federal tax incentives and other green incentives. Federally-subsidized housing is eligible to participate in rebate and whole building retrofit financing via PG&E's other energy efficiency programs, as discussed in Section III.A, herein.

**D. The Commission Should Not Adopt Greenlining's Request to Track Personal Employee Data.**

In order to measure whether the IOUs and subcontractors are meeting the Energy Efficiency Strategic Plan's job quality and job access goals, Greenlining recommends that the IOUs track demographic data that are indicative of workers' low-income and disadvantaged status.<sup>13</sup>

PG&E has concerns about Greenlining's list of indicators, many of which include highly personal and sensitive data, and is not at all clear how the IOUs and their subcontractors would be expected to collect this data. PG&E believes that employees (particularly individuals who are low income or members of other socially disadvantaged groups) could feel offended by being asked for some of this information, and additionally might feel pressured or otherwise obligated to provide this sensitive and private data to their employers. PG&E is open to discussing tracking demographic data, but believes determining exactly what data should be tracked is a topic for the WE&T Working Group and should not be specified in this Decision.

**E. The ME&O Pilot Program Recommended by La Cooperativa Would Result in Duplicative Effort and Unplanned Costs.**

La Cooperativa proposes a pilot ME&O outreach program designed specifically towards hard-to-reach, rural customers.<sup>14</sup> PG&E welcomes the opportunity to work with all community groups interested in helping deliver its programs to hard-to-reach customer segments. It believes, however, that the staff resources needed to successfully setup, implement, track and report on a pilot program would directly impact its program integration efforts and ability to reach enrollment goals. Furthermore, PG&E believes that the goal of this potential pilot program was accomplished during the 2009-2011 cycle's City of San Joaquin pilot.

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<sup>12</sup> Rebuttal Testimony of Jack Parkhill on behalf of SCE, December 9, 2011, p.16.

<sup>13</sup> Greenlining Institute Opening Comments, pp.11-12. Greenlining's potential indicators include: race; gender; age; homelessness; parenting status; public assistance received; educational level attained; formerly incarcerated, adjudicated, and non-violent offenders; those suffering from chronic under/unemployment; disabled and returning veterans; and limited English speakers or those that speak English as a second language.

<sup>14</sup> La Cooperativa Opening Comments, p. 6.

