



BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

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Application of Pacific Gas and Electric Company for Approval of the 2009-2011 Low Income Energy Efficiency and California Alternative Rates for Energy and Programs and Budget (U 39 M).

Application 08-05-022
(Filed May 15, 2008)

Application of San Diego Gas and Electric Company (U 902 M) for Approval of Low-Income Assistance Programs for Program Years 2009-2011.

Application 08-05-024
(Filed May 15, 2006)

Application of Southern California Gas Company (U 904 G) for Approval of Low-Income Assistance Programs and Budgets for Program Years 2009-2011.

Application 08-05-025
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Application of Southern California Edison Company (U 388-E) for Approval of Low-Income Assistance Programs and Budgets for Program Years 2009, 2010, and 2011.

Application 08-05-026
(Filed May 15, 2008)

**COMMENTS OF THE DIVISION OF RATEPAYER ADVOCATES
ON THE DECISION AUTHORIZING THE APPLICATIONS OF
PACIFIC GAS AND ELECTRIC COMPANY, SAN DIEGO GAS AND
ELECTRIC COMPANY, SOUTHERN CALIFORNIA GAS COMPANY, AND
SOUTHERN CALIFORNIA EDISON COMPANY FOR APPROVAL OF 2009-2011 LIEE
AND CARE PROGRAMS AND FUNDING**

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I. INTRODUCTION

Pursuant to Rule 14.3 of the California Public Utilities Commission's ("Commission") Rules of Practice and Procedure, the Division of Ratepayer Advocates ("DRA") submits these comments on the proposed decision ("PD") of Administrative Law Judge ("ALJ") Thomas. The PD adopts the 2009, 2010, and 2011 budgets, policies and programs of Pacific Gas and Electric Company ("PG&E"), Southern California Edison ("SCE"), Southern California Gas Company ("SoCalGas") and San Diego Gas

and Electric Company (“SDG&E”), referred to as ‘the utilities’, for Low Income Energy Assistance.

DRA generally supports the PD because it promotes California’s Low Income Energy Efficiency (“LIEE”) program as a significant energy resource. Additionally, the PD is a major step forward for California’s Low Income Energy Assistance Programs, both LIEE and California Alternative Rates for Energy (“CARE”). The PD expands the programs to more low income households, with explicit direction for targeting those most in need of services. The PD puts in place requirements for leveraging and integration and establishes for the first time independent program evaluations.

DRA makes several suggestions in order to safeguard the likelihood that program goals will be achieved and low-income Californians will receive the expected benefits.

DRA respectfully requests the Commission modify the PD to:

- Make LIEE savings inclusion in the Risk Reward Incentive Mechanism contingent upon achievement of LIEE goals;
- Give interested parties due process to review the utilities’ progress toward meeting the participation, energy savings, integration and leveraging goals;
- Retain in the program those measures and services provided for reasons of health, safety and comfort;
- Make the cost-effectiveness values accurate by utilizing the most current avoided cost inputs and excluding overhead from measure-level cost-effectiveness results;
- Establish a long-overdue review of the LIEE cost-effectiveness methodology;
- Apply the 5% unwillingness factor to the correct population figures; and
- Correct the estimate of households served by LIHEAP in 2002-2007.

II. DISCUSSION

A. The PD omits an accountability mechanism to make Commission directives become reality

The PD’s Post Decision Action is too vague to ensure the utilities will achieve the goals established in the PD. The PD must provide a mechanism to revise and correct the programs if the utilities cannot or will not achieve the goals.

The PD correctly assesses the significance of the changes to the LIEE programs ordered by the PD, and the crossroads at which the LIEE programs stand.¹ The post-decision action laid out by the PD is inadequate in light of these changes, and merely proposes actions that should already be occurring: “We direct Energy Division to review the annual reports when the IOUs submit them, and to notify the Commission if the IOUs are not meeting the directives and goals of this decision and of the LIEE aspects of the *Plan*.”² The table below highlights some of the PD’s major goals and associated actions, or lack thereof.

TABLE 1

	PD Goal	PD Action If Goals are Not Met
1.	Provide 25% of all eligible and willing customers LIEE treatment	None
2.	Enroll 90% of all eligible customers in CARE	PG&E: if it does not improve the Commission will consider sanctions or other remedies to increase enrollment ³ Other IOUs: none
3.	Of the 25% of eligible customers receiving LIEE treatment, 15% must be disabled	None

¹ PD p. 173 “We have made several substantial changes to the IOUs’ proposed LIEE programs in this decision. It is essential to the long-term goals of the *Plan* that the IOUs make substantial progress toward the “100% by 2020” programmatic initiative goal during the next three years.”

² PD p.174

³ PD p.169

4.	Track and report annually on all integration efforts listed in applications. Two out of four integration metrics must be met ⁴	If metrics are not met, IOUs must work with ED to enhance integration during the 2009-11 cycle ⁵
5.	Leveraging metrics must be met: costs saved, energy saved increases, enrollment increases, and each partnership must be the subject of an MOU ⁶	If metrics not met, IOUs must cooperate with ED as necessary to assist the division in making its recommendations ⁷
6.	Energy savings of the portfolio must increase over time with correlation between program spending and energy savings ⁸	The Impact Evaluation study must show that energy savings are increasing over time, with correlation between program spending and energy savings ²

1. The Commission will not motivate the utilities to achieve program goals by changing program funding

The PD allows the Commission to change program funding if the IOUs fall short of directives and goals. “We reserve the right to change the funding we allocate in this decision if we find that the IOUs are not meeting the requirements of this decision and the *Plan*.”¹⁰ This statement is unclear and sends the wrong signal. Would failure to achieve goals indicate a need for more funding? Or, would failure to achieve goals result in a punitive reduction in funding? A funding decrease would be an illogical approach to reaching more homes or saving more energy. A decrease in program funding is more likely to diminish the program, and then the low income consumers and all Californians, not the utilities, would be penalized.

⁴ PD p.106

⁵ PD p.106

⁶ PD p.116-117.

⁷ PD p.117

⁸ PD p.42 and OP 76

² PD p.42 and OP 76

¹⁰ PD p.174

2. LIEE programs already generate potential rewards, but no risk for utilities

The LIEE program benefits utilities' shareholders regardless of program performance. Since 2006, the energy savings achieved from the LIEE program is plugged into the Energy Efficiency Risk Reward Incentive Mechanism (RRIM).¹¹ Energy Efficiency programs must not only generate a minimum level of energy savings (determined by a Minimum Performance Standard 'MPS'), but must save more money than the programs cost (Performance Earnings Basis 'PEB'). These achievements are then verified independently by the Energy Division. Unlike the Energy Efficiency programs, there is no program performance criteria that LIEE must meet, and the LIEE energy savings claims have had no verification for the program years in question.¹²

LIEE savings "count" toward the MPS, and hold the potential to increase the utilities "share" of the EE benefits from 0% to 9%, or from 9% to 12%. Including the LIEE savings is unconditional.

Prior to the RRIM, shareholders only received incentives for the LIEE program if specific criteria were met. For Program Years 2001-2005, shareholders had to meet a threshold of 100% of expected first year LIEE energy savings in order to be eligible for incentive earnings. Additionally, the incentives were contingent upon verification of measure installations, expenditures, and program participation, as well as the completion of an Impact Evaluation study.¹³

3. The PD should condition inclusion of LIEE savings in the RRIM upon achievement of LIEE goals

The Commission should condition the inclusion of LIEE savings in the RRIM upon meeting LIEE goals. Not only would this increase accountability for the LIEE goals set out in the PD, but it would better reflect the statutory mandates of the LIEE

¹¹ D.04-09-060 p.2 and FOF 13

¹² LIEE savings have only been verified in a 2005 Impact Evaluation and will not be verified again until the 2009 Impact Evaluation. The 2005 Impact Evaluation was overseen by the utilities and thus did not meet EE EM&V protocols.

¹³ D.05-10-041, pp. 30-31 and Attachment 3

program to both save energy and reduce hardship. As it stands, the potential to earn rewards from the LIEE program is determined only by energy saved and provides no incentive for the equally important hardship reduction aspect of LIEE. This effectively prioritizes energy savings above all other LIEE program goals. Despite clear statutory direction in PU Code sections 2790, 382, 327, and reaffirmed in the California Energy Efficiency Strategic Plan approved September 25, 2008, only energy savings is monetarily rewarded.

The Commission now has the opportunity to retain the unique societal value of LIEE within an authorized structure designed to encourage energy savings. The PD should specify the LIEE goals related to participation, and integration and leveraging goals (which drive cost-effectiveness) as a contingency to counting LIEE in the RRIM.

4. The PD should safeguard goals by requiring an annual compliance Advice Letter filing

The Commission should utilize the Advice Letter process to increase accountability for meeting CARE and LIEE program goals. Compliance Advice Letter filings will allow for a consistent and more public review of IOU progress toward goals. The Advice Letter filing could work in conjunction with DRA's recommendation to condition LIEE inclusion in the RRIM upon meeting goals. The utilities could describe in the filing the steps they would undertake should metrics be falling short of the goals. The Commission could then allow the utilities to "make up" any annual failings and regain inclusion in the RRIM if the metrics were met within the three year program cycle, or by the time the utilities filed their earnings claim.

The Commission has often utilized the Advice Letter process to monitor compliance with its decisions, which provides an explicit procedural vehicle for DRA and interested parties to protest the Advice Letters when the utilities are not in compliance.¹⁴ The PD in fact does make use of Advice Letters for pilots, studies and

¹⁴ See, e.g., D.01-05-033, 2001 Cal. PUC LEXIS 423 at *34 (ORA's protest of SDG&E's Advice Letter gave notice that it may have failed to comply with a Commission Decision).

fund-shifting, but should extend this mechanism to cover the primary goals of the LIEE program as well.

Recently, the Commission has required utilities to work with DRA prior to filing Advice Letters and to state in the Advice Letters whether DRA has agreed with the utilities' position.¹⁵

Indeed, in D.04-09-022¹⁶, the Commission allowed expedited Advice Letter review if DRA and TURN had been included in advance of and supported the utilities' interstate pipeline capacity advice letter filings, subject to ultimate approval by the Commission's Energy Division.

Whether or not the Commission requires DRA's advanced review before the Advice Letter filings, at the very minimum, the Commission should require Advice Letter filings to ensure that DRA and other parties have an opportunity to comment on whether or not the utilities have complied with the Commission's goals, subject to the Commission Energy Division's review and disposition.

5. The PD should clarify its meaning in requiring LIEE energy savings to increase with correlation between energy savings and spending

The PD concludes: "The 2009 Impact Evaluation Study should show that energy savings of the portfolio are increasing over time, with correlation between program spending and energy savings."¹⁷ The PD should require the utilities, not the evaluation, to show that the energy savings of the portfolio are increasing over time. The 2009 Impact Evaluation would subsequently verify the utilities' claims. The PD should also outline specifically what an adequate showing will require. The PD specify the amount of energy savings increases it expects from each utility, and by what amount it expects the correlation between energy savings and program spending to increase. As it currently

¹⁵ See, e.g., D.08-08-030, 2008 Cal PUC LEXIS 320 at *36, footnote 33 (conservation rate updates required in advice letter with prior DRA review and Water Division review and disposition); see also D.08-02-036, 2008 Cal PUC LEXIS 72 at *71

¹⁶ pp. 24-27, 2004 Cal PUC LEXIS 522 at *33-38

¹⁷ Conclusion of Law 24

stands, an energy savings of one kWh and a closer correlation by 1% would meet the PD's general requirement of increasing progress toward established goals.

B. The PD eliminates necessary services based on an incorrect application of the LIEE cost-effectiveness methodology and incorrect inputs to the LIEE cost-effectiveness tests

The PD revises the LIEE Cost Effectiveness methodology to set a 0.25 benefit-cost ratio threshold for any services (known as “measure”) in the program. The PD would eliminate Furnace Repair and Replacement, Air and Envelope Sealing, Water Heater Repair and Replacement, AC Replacement, and various other measures in many areas of California. The PD allows utilities to propose rare exceptions to this rule.¹⁸ While the PD's desire to increase cost-effectiveness is well-placed, its approach is hasty and based on erroneous data. The well-being of low-income Californians will suffer if this is not corrected.

1. The PD should not do away with LIEE measures that have already been justified on the basis of health, safety and comfort of low-income households

The current LIEE cost-effectiveness methodology allows measures in the LIEE program that meet a cost-benefit threshold *or* for which a detailed rationale is provided based on policy or program consideration guidelines regarding health, safety and comfort.¹⁹ For example, furnace repair and replacement and minor home repairs are in the LIEE program, despite having zero claimed energy impacts.²⁰

The parties have already justified measures such as Furnace Repair and Replacement, Air Conditioning, and others in the program.²¹ The Commission stated: “In those instances where the Team recommends retaining measures that do not meet the

¹⁸ OP 16

¹⁹ D.02-08-034, p.23

²⁰ D.02-08-034, Attachment 2 *Final Report for LIEE Program and Measure Cost Effectiveness March 28, 2002*, pp. 14, 19, 21, 22 and D.03-11-020, pp. 23-26

²¹ D.03-11-020, pp. 23-27 and p.49

specific cost-effectiveness thresholds established by those guidelines, the Team has offered persuasive reasons for doing so based on policy or program considerations.²² The PD presents nothing to suggest these justifications are no longer relevant. If the Commission wishes to revisit these justifications, it should do so in a way that does not spring these measure reductions on the parties. DRA recommends the Commission include this topic in the context of an LIEE cost-effectiveness methodology review as recommended in Section C below.

2. LIEE energy savings must be valued with today's, not yesterday's data

The PD must use the *current* avoided cost data instead of the *old* avoided cost data. The non-low income 2009-2011 Energy Efficiency (EE) portfolios were prepared utilizing the most current avoided cost data but the LIEE portfolios were not.²³ Avoided cost is a determining value in one of the two cost effectiveness tests utilized in the PD, therefore getting the value right is no trivial matter.²⁴ Furthermore, the Commission's expectation is that LIEE energy savings must be calculated with inputs consistent with those in EE:

Accordingly, program administrator(s) should include the reported savings from LIEE measures when reporting energy savings accomplishments. As SESCO points out, we will need to ensure that those reported savings use *ex ante* assumptions²⁵, such as estimated useful lives, unit savings, etc., that are consistent with *ex ante* assumptions we may

²² D.03-11-020, p. 49

²³ A.08-07-021, PG&E Testimony pp.3-15 & 3-16, and Assigned Commissioner's and Administrative Law Judge's Ruling Regarding May 14, 2008 Energy Efficiency Portfolio Plans for 2009-11, pp. 1-2

²⁴ DRA does not imply that the LIEE program must be cost-effective, only that the input of avoided cost is central to many cost-effectiveness calculations.

²⁵ *Ex ante* assumptions refer to those assumptions that underlie estimates of measure savings made prior to measure installation, i.e., before any post-installation (*ex post*) measurement or verification is performed on the installed measures. Our adopted EM&V protocols and reporting requirements will establish the extent to which *ex ante* versus *ex post* measurement and verification will be required by program administrator(s) to demonstrate program performance, and how they will be required to report such performance.

utilize in assessing the performance of energy efficiency measures offered under the non-low income program.²⁶

The cost-effectiveness tests used to justify energy efficiency programs essentially compare the costs of producing a unit of energy to the costs of saving a unit of energy. To summarize at a very basic level, the cost of producing the unit is estimated with various inputs to arrive at the “avoided cost.” The cost of saving a unit is determined by the cost of the program under consideration.²⁷ The Commission relies upon a consultant, E3, to utilize the many inputs to generate the avoided costs.²⁸ E3’s calculator is periodically reviewed and updated in order to keep pace with economic reality.²⁹ The most current avoided cost value became available May 13, 2008, and therefore is readily available for input into the cost-effectiveness models produced for the LIEE applications.

DRA alerted the Commission immediately after the utilities’ filings that LIEE energy savings were assigned a lesser value than Energy Efficiency portfolio energy savings, for the exact same time period.³⁰ ALJ Thomas ultimately did not require a re-running of the data due at that time. Now that the values impact the fate of LIEE measures, the Commission should no longer delay in ordering this re-run to generate valid cost-effectiveness test results.

3. The PD should follow Commission practice and judge LIEE measure cost-effectiveness without overhead costs

The PD errs in relying upon the measure level cost-effectiveness values that the utilities submitted in their applications. The PD applies its 0.25 threshold to these values in order to determine which measures will be retained and which measures dropped in the

²⁶ D.04-09-060 p.32 and FOF 13

²⁷ This comparison is the essence of the Utility Cost Test and the Total Resource Cost Test. This is not the comparison made for the Modified Participant Cost Test.

²⁸ For a more detailed description of the inputs see the September 15, 2008, Response of DRA, TURN, and the Community Environmental Council to the Petition for Modification of D.07-09-043 and D.08-01-042 in R.06-04-010, Attachment A, p.2

²⁹ The carefully scrutinized development, adoption, and updating of the Avoided Cost Methodology is chronicled in R.04-04-025 and R.06-04-010.

³⁰ DRA PHC Statement filed June 10, 2008 in this proceeding.

2009-2011 LIEE programs. DRA requested from the utilities and received measure level cost-effectiveness values excluding overhead costs.

The utilities incorrectly included overhead in their calculations.³¹ Even the utilities' witnesses allowed that administrative and overhead should not be included when considering the value of individual measures, but reasoned that only program-level cost-effectiveness was at issue in the application.³² DRA here provides Commission precedent for why a decision about individual measures should not include overhead:

As explained in the utilities' September 30, 2002 filing, the rationale for this latter approach is that, from an economic perspective, cost effectiveness analysis should consider only those costs that are truly affected by the decision at hand. These are sometimes called incremental costs, or marginal costs. In applying the cost effectiveness framework to individual measures, the decision at hand is whether or not a specific measure should be added to or dropped from the program. Insofar as retaining or dropping a specific measure will have a relatively minor impact on indirect costs, these indirect costs were ignored in the application of the measure level cost effectiveness tests.³³

DRA provides the utilities' measures-level cost-effectiveness results excluding overhead in Appendix B, to demonstrate that this change alone would result in fewer measures being removed from the IOU programs. However, even this data cannot be used for final determination of measure inclusion and exclusion because these results still rely upon outdated avoided cost inputs. Thus, the Commission should use measures-level cost-effectiveness results that both exclude overhead *and* utilize current avoided costs.

³¹ DRA PHC statement of June 10, 2008 in A.08-05-022 et. al

³² See Prepared Direct Testimony of Kevin McKinley on behalf of San Diego Gas and Electric Company's LIEE Program Plans and Budgets for Program Years 2009-2011, p.KCM-5

³³ D.03-11-020, *Interim Opinion: Phase 4 Standardization Results for Low-Income Energy Efficiency Measure Cost-Effectiveness and Natural Gas Appliance Testing*, p.17

C. The PD abandons consideration of LIEE cost-effectiveness as required by D.07-12-051

The PD fails to heed the parties' consensus that LIEE cost-effectiveness is outdated and in need of attention. Without provision for updating the methodology and bringing LIEE up to current standards, the PD would allow LIEE cost-effectiveness to drop off the radar. The PD must take action by ordering workshops, filings, and/or opening a new proceeding to carry out the thorough examination that has been anticipated for many years.

1. The Commission's directive to consider LIEE cost-effectiveness has yet to be implemented

Decision 07-12-051's order to explore "How, if at all, should existing methodologies be modified to recognize the costs and benefits of LIEE programs?"³⁴ has not yet occurred. The Energy Division held a workshop on LIEE cost-effectiveness March 3, 2008, which only clarified the utilities current application of LIEE cost-effectiveness. However, parties' workshop comments have yet to be addressed. In its pre-workshop comments,³⁵ the Joint Utilities state that "the current model is inadequate for future evaluations" and recommend the Commission take the following steps to evaluate LIEE cost-effectiveness: assess Non-Energy Benefits, determine the appropriate models to use to estimate LIEE cost-effectiveness. A.W.I.S.H. has consistently argued throughout R.07-01-042 and in A.08-05-022 et. al to place LIEE cost-effectiveness review front and center. "We stress that the beneficial societal and participant goals and objectives set forth in the Decision, as well as energy savings and greenhouse gas reductions, will be negated unless the cost-test is crafted with precision..."³⁶ A.W.I.S.H.'s point made in its August 1, 2008 brief that "a cost-test which does not sufficiently encompass environmental effects and health, safety and comfort is being used..." was not addressed in the PD. The PD should correct this omission by ordering

³⁴ D.07-12-051 OP 12(1)

³⁵ Filed February 22, 2002

³⁶ A.W.I.S.H. pre-workshop comments filed in R.-07-01-042 on February 22, 2008, p.1

written filings and/or workshops to determine a cost-test which does adequately capture LIEE's value.

D. DRA supports the studies ordered by the PD with clarification

1. The PD should clarify that energy savings estimates generated through impact evaluations are inputs to cost-effectiveness, not the other way around

The PD makes an error in its directive that updated cost-effectiveness numbers be “used” in a 2009 Impact Evaluation study.³⁷ An impact evaluation study is a study to arrive at energy savings values, and does not utilize cost-effectiveness numbers. Rather, the energy savings values arrived at through an impact evaluation are used as an input into cost-effectiveness tests. Additionally, the PD appears to err in suggesting that the results of a 2009 Impact Evaluation could be used to update energy savings values for the remaining program years, apparently 2010 and 2011. Based on the last few impact evaluations, the timing between the Impact Evaluation program year studied and the date when those values are available for analysis is at least one or two years later.³⁸ Therefore, any results from a 2009 Impact Evaluation study would not be able to inform analysis until at least the next application cycle for 2012-2014.

E. The PD should be corrected to acknowledge all eligible households and thereby prepare the utilities to achieve the Programmatic Initiative

1. The PD errs by considering already-treated households “unwilling” to participate

In determining the number of eligible households remaining to be treated by LIEE, the PD proposes that a 5% unwillingness factor should be applied to the total eligible

³⁷ PD p. 35

³⁸ The 2008 Impact Evaluation study ordered in D.06-12-038 has not yet even begun. The Impact Evaluation of 2005 did not even begin until after the conclusion of the Program Year, and its draft was available December 2007. The 2005 Impact Evaluation listed as a flaw starting an evaluation post program, but the PD does not appear to heed this advice. Moreover, the 2005 Impact Evaluation recommended focusing the next study on values other than energy savings of individual measures, since these values have been studied in 2000, 2001, 2002, and 2005 and provide adequate information on this point.

population.³⁹ This is a mistake, because according to the PD, a significant portion (1.352 million, 23.5%)⁴⁰ of the total eligible population has already been treated by LIEE and/or LIHEAP, and is therefore willing to participate by definition. The following equation illustrates the issue:

$$\text{TREATED} + \text{UNTREATED} = \text{TOTAL ELIGIBLE POPULATION}$$

The “unwilling” households can only be figured by calculating 5% of the UNTREATED part of the equation. The PD mistakenly applies the 5% to the TOTAL ELIGIBLE POPULATION part of the equation. As such, the PD erroneously subtracts too many “unwilling” households.

The PD should clarify that the 5% unwillingness factor should only be applied to the untreated portion of the total eligible population (4.398 million households). Once the application of the unwillingness factor is clarified, only 219,950 (instead of 287,554⁴¹) eligible households should be subtracted from the total eligible population.

2. The PD contains factually inaccurate data relating to the number of households that have been treated by LIHEAP and should be corrected

The PD erroneously asserts that 224,387 households were treated by LIHEAP⁴² between 2002 and 2007. DRA identified this error in its Brief⁴³ and has again consulted with California’s Department of Community Services (CSD) to provide clarification. CSD confirms that the number of homes treated is actually closer to 135,000.⁴⁴⁵ This

³⁹ PD, p. 100.

⁴⁰ 1.352 Million is the sum of households reportedly treated by LIEE and LIHEAP according to the PD’s Tables on p. 100 and 101.

⁴¹ PD, p. 100.

⁴² DRA’s use of the term LIHEAP implies both the DOE and LIHEAP weatherization programs.

⁴³ DRA Brief filed August 1, 2008 in A.08-05-022 et al., p.5

⁴⁴ The confirmation of this evidence via a CSD email provided is provided in Appendix C.

⁴⁵ The difference between the data attached to DRA’s brief and the data attached to these Comments in Appendix D is that the first includes Siskiyou County, which is not in any IOU service territory and should therefore be removed in advance of final publication.

mistake has the effect of excluding approximately 89,000 eligible households from the projected number of households remaining to be treated.

In short, some of the households treated by LIHEAP have been counted by more than one utility because LIHEAP's tracking areas do not correspond to the utilities' service territories. CSD has provided DRA up-to-date data reflecting the number of homes treated by LIHEAP across California between 2002 and 2007 (Appendix D), and recommended that the Commission use this data instead of the data currently used by the PD.

DRA recommends a methodology that the Commission can use to correct this problem in Appendix E.

3. The PD must require the utilities to distinguish between newly treated homes and those homes to which they are returning to eligibility since 2002

DRA supports the PD's modification of the 10 year go-back rule with added clarity. The PD should require the utilities to distinguish between households that are "go-backs" and those that are treated for the first time in 2009-2011. If this is not properly tracked, it will be impossible to assess how much of the population yet to receive LIEE are receiving services. The PD should require utilities to report these "go-backs" in a separate category so that the Commission can truly assess progress toward the Programmatic Initiative.

III. CONCLUSION

DRA is pleased to participate in this vital proceeding. For the foregoing reasons, DRA recommends specific modifications to this decision. DRA proposes revisions to the Findings of Fact, Conclusions of Law, and Ordering Paragraphs in Appendix A.

Respectfully submitted,

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October 6, 2008

APPENDIX A

Proposed Changes

Findings of Fact

A Finding of Fact should be added indicating that the results of the Utility Cost Test and the Modified Participant Costs Tests presented in the utilities' 2009-2011 Applications and subsequent Amendments did not incorporate the avoided cost values updated on May 13, 2008.

A Finding of Fact should be added indicating that the results of the UCT and the mPCT presented in the utilities 2009-2011 Applications and subsequent Amendments included overhead costs in the measure-level results.

A Finding of Fact should be added indicating that the Commission's guidelines for considering LIEE cost-effectiveness as established in D.02-08-034 require a cost-effectiveness evaluation approach that allows LIEE measures failing the cost-effectiveness UCT and MPCT to be included based on policy or program considerations.

A Finding of Fact should be added indicating room air conditioners, gas furnace repair and replacement, and minor home repairs, were retained in the LIEE program in D.03-11-020 due to program and policy considerations.

Finding of Fact 34 should be amended by adding to the end of the sentence: *with the exception of those non-energy measures in the LIEE program already justified on the basis of health, comfort and safety.*

Finding of Fact 67 should be amended to read: *Approximately 136,000 homes were treated by LIHEAP from 2002-07.*

Conclusions of Law

Conclusion of Law 22 should be amended to read: *The IOUs should perform a 2009 Impact Evaluation study, and use the results of that study (which will be energy savings) to recalculate the expected energy savings and the cost-effectiveness values for the remaining program years.*

Conclusion of Law 24 should be amended to specify 1) the amount by which the energy savings of the portfolio must increase, 2) the time period over which the energy

savings must increase, and 3) the amount of correlation between program spending and energy savings.

Ordering Paragraphs

Ordering Paragraph 16 should be amended to retain those LIEE measures that do not meet the threshold established in Ordering Paragraphs 14 and 15, based upon the policy reasons of hardship reduction, health, safety and comfort.

OP 17 should be amended to avoid any conflict with OP 75, which correctly indicates the Energy Division, not the IOUs, will conduct the 2009 Impact Evaluation study.

OP 27 shall be amended to require the IOUs to report the status of the disabled enrollment effort in an annual Compliance Advice Letter filing to coincide with their annual report filing.

OP 40 should be amended to require the IOUs to report the status of their LIEE treatments in accordance with the programmatic initiative in an annual Compliance Advice Letter filing to coincide with their annual report filing.

OP 46 should be amended to require the IOUs to report the status of their integration efforts in an annual Compliance Advice Letter filing to coincide with their annual report filing.

OP 55 should be amended to require the IOUs to report the status of their leveraging efforts in an annual Compliance Advice Letter filing to coincide with their annual report filing.

OP 76 should be amended to require the IOUs, not the 2009 Impact Evaluation, to show in an annual Compliance Advice Letter filing that the energy savings of the portfolio are increasing over time.

OP 76 should further be amended to specify the amount of energy savings over a specific time period with a specified correlation between program spending and energy savings.

An Ordering Paragraph should be added directing the IOUs to generate accurate measure-level cost-effectiveness test results by using as an input the most current avoided cost values available, and by excluding overhead costs from the tests.

Ordering Paragraphs 14 and 15 should be amended to direct the IOUs to apply the .25 threshold to newly generated cost-effectiveness test results.

OP 89 should be amended to require the IOUs to report the status of their progress toward the CARE penetration requirement of 90% by 20011 in an annual Compliance Advice Letter filing to coincide with their annual report filing.

An OP should be added to require the IOUs to distinguish in their monthly and annual reports those homes that received LIEE services in the program year for the first time, from those homes that received LIEE services in the program year that had been treated since 2002 and required additional services.

An Ordering Paragraph should be added to condition the inclusion of LIEE Energy Savings in the Risk Reward Incentive Mechanism upon achievement of LIEE goals of participation, integration, leveraging, and energy savings better corresponding to spending.

APPENDIX B

		A	B	C	D	
LIEE Cost-Effectiveness - Non Weather Sensitive Measures						
Pacific Gas and Electric Company						
1	2	3	4	Ratio of Benefits Over Costs ^[1]		
				Utility Cost Test ^{[2] [3]}	Modified Participant Test ^{[2] [3]}	
5	6	Measure				Total Resource Cost Test ^{[2] [3]}
7	Microwave		7.42	8.38	5.71	
8	Wtr Ht Conservation SF		2.29	3.61	1.76	
9	TORCHIERE - 55 W (D03-842 RES00AVT or 55) SF		1.72	1.98	1.30	
10	OCCUPANCY SENSOR D03-856 - WALL BOX (3 2-lamp fix w/T8 34 W EL) SF/MF/MH		1.59	1.84	1.21	
11	Wtr Ht Conservation MH		1.54	2.44	1.19	
12	Wtr Ht Conservation MF		1.04	1.64	0.80	
13	Compact Fluorescents (inc. porchlghts) SF MF MH		0.92	1.06	0.70	
14	Refrigerators MH		0.91	1.03	0.70	
15	Refrigerators SF		0.87	0.99	0.67	
16	Interior Hard wired Compact Fluorescent fixtures SF/MF/MH		0.82	0.96	0.62	
17	Refrigerators MF		0.70	0.79	0.54	
18	Clothes Washer Energy Star, 2.65 cf, Tier 1		0.66	0.75	0.51	
19	Water Heater Repair & Replacement - Gas SF/MF/MH		0.34	0.17	0.12	
20	Exterior Hard wired Compact Fluorescent fixtures SF MF MH		0.27	0.31	0.20	
21						
22		^[1] Based on forecasted 2010 LIEE program year.				
23		^[2] The Utility Cost Test (UCT) and Modified Participant Cost Test (PCm) both include NEBs and were adopted for LIEE in D.02-08-034. The TRC is included for information purposes only, as specified in the ACR Providing Guidance for LIEE 2009-2011 Budget Application, dated 04/01/08. Cost Benefit tests are described in PG&E's 2009-2011 LIEE Testimony, at Section IV.A.				
24		^[3] The UCT, PC _m and TRC test results shown in this table all exclude overhead (non-installation) costs, as requested in DRA's Data Request LowIncomeProgY09-11_DR_DRA_001-Q01.				

	A	B	C	D
1	LIEE Cost-Effectiveness - Weather Sensitive Measures			
2	Pacific Gas and Electric Company			
3				
4	Ratio of Benefits Over Costs [1]			
5	Measure	Utility Cost Test [2] [3]	Modified Participant Test [2] [3]	Total Resource Cost Test [2] [3]
6				
7	A/C Tune-up - Central (Zone 11) SF	1.70	1.19	1.50
8	A/C Tune-up - Central (Zone 13) SF	1.61	1.36	1.38
9	Attic Insulation - Gas SH (Zone 1) SF	1.45	1.71	1.16
10	A/C Tune-up - Central (Zone 11) MH	1.41	0.81	1.24
11	A/C Tune-up - Central (Zone 13) MH	1.35	0.93	1.15
12	Duct Sealing - Gas SH & AC (Zone 16) MH	1.32	1.29	1.06
13	Duct Sealing - Gas SH & AC (Zone 16) SF	1.25	1.22	1.00
14	A/C Tune-up - Central (Zone 12) SF	1.15	0.85	1.01
15	A/C Tune-up - Central (Zone 11) MF	1.15	0.80	1.01
16	A/C Tune-up - Central (Zone 13) MF	1.14	0.96	0.98
17	Attic Insulation - Gas SH (Zone 16) SF	1.04	1.23	0.83
18	Attic Insulation - Gas SH (Zone 2) SF	1.02	1.21	0.82
19	Duct Sealing - Gas SH & AC (Zone 13) SF	1.02	1.01	0.81
20	A/C Tune-up - Central (Zone 12) MH	1.01	0.61	0.89
21	Duct Sealing - Gas SH & AC (Zone 5) MH	1.00	0.98	0.81
22	Duct Sealing - Gas SH & AC (Zone 11) SF	0.98	0.96	0.78
23	Duct Sealing - Gas SH & AC (Zone 12) SF	0.97	0.96	0.78
24	Duct Sealing - Gas SH & AC (Zone 5) SF	0.94	0.91	0.75
25	Duct Sealing - Gas SH & AC (Zone 2) SF	0.93	0.91	0.75
26	Duct Sealing - Gas SH & AC (Zone 2) MH	0.91	0.89	0.73
27	Attic Insulation - Gas SH (Zone 11) SF	0.90	1.06	0.72
28	A/C Tune-up - Central (Zone 16) SF	0.85	0.57	0.75
29	Attic Insulation - Gas SH (Zone 3) SF	0.84	1.00	0.68
30	Duct Sealing - Gas SH & AC (Zone 13) MH	0.83	0.83	0.66
31	Attic Insulation - Gas SH (Zone 12) SF	0.81	0.96	0.65
32	Duct Sealing - Gas SH & AC (Zone 12) MH	0.81	0.80	0.65
33	Duct Sealing - Gas SH & AC (Zone 3) SF	0.81	0.79	0.65
34	Duct Sealing - Gas SH & AC (Zone 1) MH	0.79	0.76	0.63
35	Attic Insulation - Gas SH (Zone 4) SF	0.76	0.90	0.61
36	Duct Sealing - Gas SH & AC (Zone 4) SF	0.75	0.74	0.60
37	A/C Tune-up - Central (Zone 16) MH	0.74	0.41	0.65
38	Duct Sealing - Gas SH & AC (Zone 11) MH	0.74	0.74	0.58
39	Attic Insulation - Gas SH (Zone 13) SF	0.70	0.83	0.56
40	Duct Sealing - Gas SH & AC (Zone 1) SF	0.68	0.67	0.55
41	Evaporative Coolers (Zone 16) SF	0.65	0.50	0.54
42	Duct Sealing - Gas SH & AC (Zone 3) MH	0.62	0.61	0.50
43	A/C Tune-up - Central (Zone 12) MF	0.62	0.45	0.54
44	Evaporative Coolers (Zone 13) SF	0.60	0.51	0.49
45	Air Sig/Envelope (Zone 13) MH	0.60	3.72	0.48
46	Evaporative Coolers (Zone 13) MH	0.58	0.60	0.48
47	A/C Tune-up - Central (Zone 4) SF	0.56	0.45	0.48
48	Air Sig/Envelope (Zone 12) MH	0.54	3.37	0.43
49	Duct Sealing - Gas SH & AC (Zone 4) MH	0.53	0.51	0.42
50	A/C Tune-up - Central (Zone 16) MF	0.50	0.34	0.44
51	Air Sig/Envelope (Zone 16) MH	0.48	3.01	0.39
52	Evaporative Coolers (Zone 16) MH	0.48	0.44	0.40
53	A/C Tune-up - Central (Zone 4) MH	0.46	0.30	0.40
54	Air Sig/Envelope (Zone 13) SF	0.43	2.66	0.34
55	A/C Replacement - Room (Zone 13) SF	0.42	0.32	0.37
56	A/C Tune-up - Central (Zone 2) MH	0.40	0.25	0.35
57	Air Sig/Envelope (Zone 12) SF	0.40	2.48	0.32
58	A/C Tune-up - Central (Zone 2) SF	0.39	0.29	0.34
59	A/C Replacement - Room (Zone 16) SF	0.39	0.24	0.35
60	Attic Insulation - Gas SH (Zone 2) MF	0.37	0.44	0.30

	A	B	C	D
1	LIEE Cost-Effectiveness - Weather Sensitive Measures			
2	Pacific Gas and Electric Company			
3				
4		Ratio of Benefits Over Costs [1]		
5	Measure	Utility Cost Test [2] [3]	Modified Participant Test [2] [3]	Total Resource Cost Test [2] [3]
61	Evaporative Coolers (Zone 11) MH	0.36	0.34	0.30
62	A/C Replacement - Room (Zone 13) MH	0.36	0.28	0.31
63	Air Slg/Envelope (Zone 16) SF	0.34	2.13	0.27
64	A/C Replacement - Central (Zone 13) MH	0.34	0.26	0.29
65	Attic Insulation - Gas SH (Zone 3) MF	0.34	0.40	0.27
66	A/C Replacement - Central (Zone 13) SF	0.33	0.26	0.29
67	A/C Replacement - Central (Zone 13) MF	0.33	0.26	0.29
68	Evaporative Coolers (Zone 12) MH	0.33	0.32	0.27
69	Evaporative Coolers (Zone 12) SF	0.31	0.25	0.26
70	Air Slg/Envelope (Zone 1) MH	0.31	1.95	0.25
71	Attic Insulation - Gas SH (Zone 4) MF	0.31	0.37	0.25
72	Attic Insulation - Gas SH (Zone 5) MF	0.31	0.37	0.25
73	A/C Tune-up - Central (Zone 4) MF	0.31	0.25	0.27
74	Evaporative Coolers (Zone 11) SF	0.29	0.22	0.24
75	Air Slg/Envelope (Zone 4) MH	0.28	1.77	0.23
76	Attic Insulation - Gas SH (Zone 12) MF	0.28	0.33	0.22
77	A/C Replacement - Room (Zone 16) MH	0.28	0.18	0.25
78	A/C Tune-up - Central (Zone 2) MF	0.28	0.21	0.24
79	A/C Replacement - Central (Zone 11) MH	0.27	0.18	0.24
80	A/C Replacement - Central (Zone 11) SF	0.27	0.17	0.24
81	Air Slg/Envelope (Zone 11) MH	0.26	1.59	0.20
82	Attic Insulation - Gas SH (Zone 13) MF	0.25	0.30	0.20
83	A/C Replacement - Room (Zone 11) SF	0.24	0.16	0.21
84	A/C Replacement - Central (Zone12) MH	0.24	0.16	0.21
85	Duct Sealing - Gas SH & AC (Zone 13) MF	0.23	0.24	0.18
86	Evaporative Coolers (Zone 13) MF	0.23	0.24	0.19
87	A/C Replacement - Room (Zone 11) MH	0.23	0.15	0.20
88	Air Slg/Envelope (Zone 2) MH	0.23	1.42	0.18
89	Air Slg/Envelope (Zone 1) SF	0.23	1.42	0.18
90	Air Slg/Envelope (Zone 4) SF	0.23	1.42	0.18
91	A/C Replacement - Central (Zone12) SF	0.23	0.15	0.20
92	A/C Replacement - Central (Zone 16) SF	0.22	0.14	0.20
93	A/C Replacement - Central (Zone 11) MF	0.22	0.14	0.19
94	Duct Sealing - Gas SH & AC (Zone 11) MF	0.21	0.20	0.16
95	A/C Replacement - Room (Zone 12) SF	0.20	0.14	0.18
96	A/C Replacement - Room (Zone 12) MH	0.20	0.14	0.18
97	Air Slg/Envelope (Zone 11) SF	0.20	1.24	0.16
98	Air Slg/Envelope (Zone 2) SF	0.17	1.06	0.14
99	Evaporative Coolers (Zone 11) MF	0.17	0.13	0.14
100	Htg Sys Repair/Replace - Gas SH (Zone 1) SF	0.15	0.09	0.06
101	Air Slg/Envelope (Zone 12) MF	0.14	0.89	0.11
102	Air Slg/Envelope (Zone 13) MF	0.14	0.89	0.11
103	A/C Replacement - Central (Zone12) MF	0.13	0.09	0.12
104	Duct Sealing - Gas SH & AC (Zone 12) MF	0.13	0.13	0.10
105	Duct Sealing - Gas SH & AC (Zone 16) MF	0.13	0.12	0.10
106	A/C Replacement - Room (Zone 13) MF	0.12	0.09	0.10
107	Air Slg/Envelope (Zone 16) MF	0.11	0.71	0.09
108	Htg Sys Repair/Replace - Gas SH (Zone 2) SF	0.11	0.06	0.04
109	A/C Tune-up - Central (Zone 3) SF	0.10	0.10	0.08
110	Htg Sys Repair/Replace - Gas SH (Zone 11) SF	0.10	0.06	0.04
111	Htg Sys Repair/Replace - Gas SH (Zone 3) SF	0.09	0.06	0.04
112	A/C Tune-up - Central (Zone 3) MH	0.09	0.08	0.07
113	A/C Tune-up - Central (Zone 5) SF	0.09	0.07	0.08
114	Htg Sys Repair/Replace - Gas SH (Zone 16) SF	0.09	0.05	0.03
115	A/C Replacement - Central (Zone 2) MH	0.09	0.06	0.08
116	A/C Replacement - Central (Zone 2) SF	0.09	0.06	0.08

	A	B	C	D
1	LIEE Cost-Effectiveness - Weather Sensitive Measures			
2	Pacific Gas and Electric Company			
3				
4	Ratio of Benefits Over Costs [1]			
5	Measure	Utility Cost Test [2] [3]	Modified Participant Test [2] [3]	Total Resource Cost Test [2] [3]
117	Air Slg/Envelope (Zone 1) MF	0.09	0.53	0.07
118	Air Slg/Envelope (Zone 4) MF	0.09	0.53	0.07
119	Air Slg/Envelope (Zone 3) MH	0.09	0.53	0.07
120	Htg Sys Repair/Replace - Gas SH (Zone 12) SF	0.08	0.05	0.03
121	Htg Sys Repair/Replace - Gas SH (Zone 4) SF	0.08	0.05	0.03
122	Duct Sealing - Gas SH & AC (Zone 2) MF	0.08	0.08	0.06
123	A/C Replacement - Room (Zone 11) MF	0.08	0.05	0.07
124	Duct Sealing - Gas SH & AC (Zone 4) MF	0.08	0.08	0.06
125	A/C Tune-up - Central (Zone 5) MH	0.07	0.05	0.06
126	Htg Sys Repair/Replace - Gas SH (Zone 13) SF	0.07	0.04	0.03
127	A/C Replacement - Central (Zone 2) MF	0.06	0.04	0.05
128	Air Slg/Envelope (Zone 11) MF	0.06	0.35	0.05
129	Air Slg/Envelope (Zone 3) SF	0.06	0.35	0.05
130	Air Slg/Envelope (Zone 2) MF	0.06	0.35	0.05
131	A/C Tune-up - Central (Zone 1) MH	0.06	0.03	0.05
132	A/C Tune-up - Central (Zone 1) SF	0.06	0.04	0.05
133	Evaporative Coolers (Zone 2) MH	0.05	0.05	0.04
134	Duct Sealing - Gas SH & AC (Zone 3) MF	0.05	0.05	0.04
135	Duct Sealing - Gas SH & AC (Zone 5) MF	0.05	0.05	0.04
136	A/C Replacement - Central (Zone 4) MF	0.05	0.04	0.04
137	A/C Tune-up - Central (Zone 3) MF	0.05	0.05	0.04
138	A/C Replacement - Room (Zone 12) MF	0.05	0.03	0.04
139	A/C Replacement - Central (Zone 4) MH	0.04	0.03	0.03
140	A/C Replacement - Central (Zone 4) SF	0.04	0.03	0.03
141	A/C Tune-up - Central (Zone 5) MF	0.04	0.03	0.03
142	A/C Tune-up - Central (Zone 1) MF	0.04	0.03	0.03
143	Duct Sealing - Gas SH & AC (Zone 1) MF	0.03	0.03	0.03
144	Air Slg/Envelope (Zone 3) MF	0.03	0.18	0.02
145	A/C Replacement - Central (Zone 3) MH	0.01	0.01	0.01
146	A/C Replacement - Central (Zone 3) SF	0.01	0.01	0.01
147	A/C Replacement - Central (Zone 3) MF	0.01	0.01	0.01
148	[1] Based on forecasted 2010 LIEE program year.			
149	[2] The Utility Cost Test (UCT) and Modified Participant Cost Test (PCm) both include NEBs and were adopted for LIEE in D.02-08-034. The TRC is included for information purposes only, as specified in the ACR Providing Guidance for LIEE 2009-2011 Budget Application, dated 04/01/08. Cost Benefit tests are described in PG&E's 2009-2011 LIEE Testimony, at Section IV.A.			
150	[3] The UCT, PC _m and TRC test results shown in this table all exclude overhead (non-installation) costs, as requested in DRA's Data Request LowIncomeProgPY09-11_DR_DRA_001-Q01.			

A		B	C	D
LIEE Cost-Effectiveness - Non Weather Sensitive Measures				
Pacific Gas and Electric Company				
1	2	3	Ratio of Benefits Over Costs ^[1]	
			Utility Cost Test ^{[2] [3]}	Modified Participant Test ^{[2] [3]}
4	5	6	Total Resource Cost Test ^{[2] [3]}	
Measure				
7	Microwave	7.42	8.38	5.71
8	Wtr Ht Conservation SF	2.29	3.61	1.76
9	TORCHIERE - 55 W (D03-842 RES00AVT or 55) SF	1.72	1.98	1.30
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19	Water Heater Repair & Replacement - Gas SF/MF/MH	0.34	0.17	0.12
20	Exterior Hard wired Compact Fluorescent fixtures SF MF MH	0.27	0.31	0.20
21				
22	^[1] Based on forecasted 2010 LIEE program year.			
23	^[2] The Utility Cost Test (UCT) and Modified Participant Cost Test (PCm) both include NEBs and were adopted for LIEE in D.02-08-034. The TRC is included for information purposes only, as specified in the ACR Providing Guidance for LIEE 2009-2011 Budget Application, dated 04/01/08. Cost Benefit tests are described in PG&E's 2009-2011 LIEE Testimony, at Section IV.A.			
24	^[3] The UCT, PC _m and TRC test results shown in this table all exclude overhead (non-installation) costs, as requested in DRA's Data Request LowIncomeProgY09-11_DR_DRA_001-Q01.			

Pacific Gas and Electric Company

Program Year 2009 Bill Savings	
	Bill Savings Amount
Estimated 1st Year Bill Savings	\$ 4,822,191
Estimated Lifecycle Bill Savings	\$ 46,129,558
Average 1st Year Bill Savings / Participant	\$ 60.28
Average Lifecycle Bill Savings / Participant	\$ 576.62

A.08-05-025 SCG Response
SoCalGas Low Income Program Year 2009-2011
Re.: Cost Effectiveness
DR: LIEE_DRA 3
Dated: May 30, 2008 Q1
Submitted: June 16, 2008

Question 1:

Regarding Attachments A-6 and A-7 listing measure-level cost-effectiveness results, please provide:

- the measure-level and program-level cost-effectiveness results of the mPT, UT, and TRC excluding overhead (non-installation) costs.
- the measure-level and program-level cost-effectiveness results of the TRC including NEBs in the calculation.
- the measure-level and program-level cost-effectiveness results of the TRC when overhead (non-installation) costs are excluded from the calculation AND when NEBs are included in the calculation.

SCG Response 1:

- a) Table A-6 and Table A-7 with measure-level cost-effectiveness results excluding overhead (non-installation) costs are reflected in the excel spreadsheet below labeled “SoCalGas Table 6 and 7 no admin.xls”.



SoCalGas Table 6
and 7 no admin.xls

Program level results excluding overhead (non-installation) costs are as follows:

Ratio of Program Benefits over Installation Costs		
Utility Cost Test	Modified Participant Test	Total Resource Cost Test
0.76	1.45	0.57

- b) For the purposes of this analysis, the TRC with NEBs is equal to the Utility Cost Test. These results were provided in Attachment 6 and Attachment 7 filed on May 15, 2008 in SoCalGas’ Application 08-05-025.
- c) For the purposes of this analysis, the TRC with NEBs is equal to the Utility Cost Test. These results are provided in the attachment to this response (see SoCalGas response 1 a) above).

A.08-05-024 SDG&E Response
SDGE Low Income Program Year 2009-2011
Re.: Cost Effectiveness
DR: LIEE_DRA 3
Dated: May 30, 2008 Q1
Submitted: June 16, 2008

Question 1:

Regarding Attachments A-6 and A-7 listing measure-level cost-effectiveness results, please provide:

- the measure-level and program-level cost-effectiveness results of the mPT, UT, and TRC excluding overhead (non-installation) costs.
- the measure-level and program-level cost-effectiveness results of the TRC including NEBs in the calculation.
- the measure-level and program-level cost-effectiveness results of the TRC when overhead (non-installation) costs are excluded from the calculation AND when NEBs are included in the calculation.

SDG&E Response 1:

- (a) Table A-6 and Table A-7 with measure-level cost-effectiveness results excluding overhead (non-installation) costs are reflected in the excel spreadsheet below labeled “SDGE Table 6 and 7 no admin.xls”.



SDGE Table 6 and 7
no admin.xls

Program level results excluding overhead (non-installation) costs are as follows:

Ratio of Program Benefits over Installation Costs		
Utility Cost Test	Modified Participant Test	Total Resource Cost Test
0.98	1.44	0.82

- (b) For the purposes of this analysis, the TRC with NEBs is equal to the Utility Cost Test. These results were provided in Attachment 6 and Attachment 7 filed on May 15, 2008 in SDG&E’s Application 08-05-024.
- (c) For the purposes of this analysis, the TRC with NEBs is equal to the Utility Cost Test. These results are provided in the attachment to this response (see SDG&E response 1 (a) above).

Southern California Edison
Low-Income Application Program 2009-2011 A.08-05-026

DATA REQUEST SET A0805026-DRA-SCE-02

To: DRA
Prepared by: John Fasana
Title: Marketing Analyst
Dated: 05/30/2008

Question 01:

Regarding Attachments A-6 and A-7 listing measure-level cost-effectiveness results, please provide:

- the measure-level and program-level cost-effectiveness results of the mPT, UT, and TRC excluding overhead (non-installation) costs.
- the measure-level and program-level cost-effectiveness results of the TRC including NEBs in the calculation.
- the measure-level and program-level cost-effectiveness results of the TRC when overhead (non-installation) costs are excluded from the calculation AND when NEBs are included in the calculation.

Response to Question 01:

The attached workbook provides the response to Question 1.

APPENDIX C

From: Tisdale, Matthew
Sent: Monday, September 29, 2008 10:00 AM
To: 'Basham, Jodi'
Cc: Wimbley, Jayson; Watts-Zagha, Karen
Subject: RE: LIHEAP/DOE Annual Weatherization Service

Attachments: DOE-LIHEAP Wx Units 2002 - 2008.xls; Proposed Decision.pdf
Jodi and Jayson,

First, let me say thank you for your continued support of the CPUC in its evaluation LIEE and its relationship to LIHEAP.

Second, I am trying to understand the difference between the LIHEAP/DOE Weatherization data (attached) that you provided in response to DRA's request (and was subsequently entered into the record by DRA) and the data being referenced by ALJ Sarah Thomas on page 101 of the proposed decision (also attached). As you'll see, the number of homes treated in each of these data sets is different. I would appreciate any insight you can provide into this difference.

Thanks again,

Matthew Tisdale

From: Basham, Jodi [mailto:JBasham@CSD.CA.GOV]
Sent: Wednesday, July 30, 2008 11:53 AM
To: Tisdale, Matthew
Cc: Wimbley, Jayson
Subject: FW: LIHEAP/DOE Annual Weatherization Service

Hi Matthew,

Here is the information you requested for LIHEAP/DOE Wx service households. If you have any questions, please call me at (916) 341-4270.

Jodi

Jodi Basham
Community Services & Development
Energy and Environmental Services Division
700 North 10th Street, Suite D215A
Sacramento, CA 95811
(916) 341-4270 (Voice/Fax)
jbasham@csd.ca.gov

From: Wimbley, Jayson
Sent: Tuesday, July 29, 2008 5:08 PM
To: Tisdale, Matthew
Subject: RE: LIHEAP/DOE Annual Weatherization Service

The information you requested will require a query of our databases to compile and provide. Let me inquire with our IT unit to get an estimate on turnaround. Will get back to you.

From: Tisdale, Matthew [mailto:MWT@cpuc.ca.gov]
Sent: Tuesday, July 29, 2008 2:10 PM
To: Wimbley, Jayson
Subject: LIHEAP/DOE Annual Weatherization Service

Mr. Wimbley,

Is it possible to determine how many households in California have received LIHEAP/DOE Weatherization services annually since 2002? If so, where could I find that data? For 2006, I am relying on the [fact sheet](#) from your website. The data at the bottom of that page leads me to believe that 23,313 received the weatherization service in 2006. Do you have comparable data for other program years?

I hope to include this data in a brief I'm contributing to for the CPUC on Friday. I know that you have been called upon by my colleagues from the utilities and the energy division. I have seen the utility specific data that you've provided to the utilities and Ms. Sevier. My request today aims to compare that data to some high level totals to determine if the utilities used the data you provided appropriately.

Thank you for any assistance you can provide.

Matthew Tisdale

Matthew Tisdale
Regulatory Analyst
CPUC, Division of Ratepayer Advocates
mwt@cpuc.ca.gov
415-703-5137

From: Campanella, Leslie [LCampanella@CSD.CA.GOV]
Sent: Thursday, October 02, 2008 1:03 PM
To: Tisdale, Matthew
Cc: Wimbley, Jayson
Subject: LIHEAP/DOE Annual Weatherization Service Response

Dear Matthew,

There are a few reasons why the numbers are so different.

- The primary difference is attributable to the manner in which the data was consolidated and delivered to each of the utilities. Service territories that are shared by more than one utility were included on each utility's spreadsheet. When the numbers from the four spreadsheets were consolidated, there were several service territories or counties that were included as many as three times.
- There are a few agencies that cover multiple counties. In one case, an agency that covered two counties had different utility providers. Because our information is currently collected at a summary level basis, we could not separate the number of completed units between these two counties and had to include the data on three utility spreadsheets. We are working towards a new automation system that will provide unit level data in detail.
- The information Jodi sent you included Siskiyou County which is not within the service territories of the utilities in this analysis. We can exclude this if you wish.
- The original information provided the utilities was generated much earlier in the year. Activity continued on the 2006 and 2007 contracts after the initial analysis. 2008 was not included initially.

I suggest using the data that Jodi sent you as it is the most current and accurate in terms of total numbers. If you have any questions or wish the information that Jodi provided to you organized differently, please feel free to contact me.

Thank you,

Leslie A. Campanella
California Department of Community Services & Development
Energy and Environmental Services Division
PO Box 1947
Sacramento CA 95812-1947
916-341-4376 (Voice/FAX)
lcampanella@csd.ca.gov

APPENDIX D

From: Campanella, Leslie [LCampanella@CSD.CA.GOV]
Sent: Monday, October 06, 2008 3:56 AM
To: Tisdale, Matthew
Subject: New Updated Numbers

Hi Matthew,

I was able to retrieve the 2007 numbers for you. Please use these numbers.

Total Weatherized Units							
	2002	2003	2004	2005	2006	2007	Total
DOE Wx	4,908	4,104	3,997	4,179	4,413	3,650	25,251
LIHEAP Wx	18,003	17,792	17,680	16,889	24,471	15,068	109,903
Totals	22,911	21,896	21,677	21,068	28,884	18,718	135,154

Thanks,
Leslie

Leslie A. Campanella
California Department of Community Services & Development
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APPENDIX E

DRA recommends the Commission take the following steps to correct the inaccuracy caused by using distorted LIHEAP data:

1. divide the statewide totals provided by CSD (Appendix D) into four proportionate parts based on each utilities portion of the total population as reflected in paragraph 2 of the PD's page 99⁴⁶ and specified by the following table:

Portion of Total Eligible Population by Utility					
	PG&E	SCE	SDG&E	SCG	Total Eligible Population
	1,868,598	1,368,584	354,489	2,046,086	5,637,757
of total	33.14%	24.28%	6.29%	36.29%	

2. replace the "Households Weatherized from 2002-2007" table on page 100 of the PD with each utilities respective total as determined by step 2
3. subtract the new, accurate data from the total eligible households and replace the figures in the table on page 102 of the PD.

⁴⁶ DRA acknowledges that this is a crude system for determining how many of the homes treated by LIHEAP are in each of the service territories and remains open to other suggestions, provided the suggestions do not grossly inflate the number of households served by LIHEAP as the PD's methodology does.

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a copy of **COMMENTS OF THE DIVISION OF RATEPAYER ADVOCATES ON THE DECISION AUTHORIZING THE APPLICATIONS OF PACIFIC GAS AND ELECTRIC COMPANY, SAN DIEGO GAS AND ELECTRIC COMPANY, SOUTHERN CALIFORNIA GAS COMPANY, AND SOUTHERN CALIFORNIA EDISON COMPANY FOR APPROVAL OF 2009-2011 LIEE AND CARE PROGRAMS AND FUNDING**

in **A.08-05-022 ET AL.** by using the following service:

E-Mail Service: sending the entire document as an attachment to an e-mail message to all known parties of record to this proceeding who provided electronic mail addresses.

U.S. Mail Service: mailing by first-class mail with postage prepaid to all known parties of record who did not provide electronic mail addresses.

Executed on October 6, 2008 at San Francisco, California.

/s/ ALBERT HILL
Albert Hill

N O T I C E

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address and/or e-mail address to insure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.

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