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Energy Savings Assistance Program (ESAP) 2012 – 2014 Applications

DRA Position: The Commission should reform ESAP to:

1. Deliver a wider array of installations ('tangible bill savings') to more low-income households than current ESAP rules permit.
2. Provide comprehensive retrofit for the subset of low-income households with energy savings potential (defined as 4% of average CARE customer usage).
3. Establish working group to keep program standards current, including workforce standards.

ESAP Goals

- Most important benefit of ESAP is bill savings delivered to low-income households.
- Non-energy benefits flow from bill and energy savings, so any increase in bill savings will drive an increase in non-energy benefits.
- DRA's recommendations will:
 - ▶ Increase the number of low-income households receiving services in the next program cycle.
 - ▶ Increase the number of energy efficiency installations in each household receiving services in the next program cycle.

ESAP Program Design and Delivery

- The 2012-2014 program should target increasing bill savings at the household level:
 - ▶ All households served by ESAP should receive tangible bill saving measures: **Lighting, Hot Water Reduction, and Refrigerator Replacement (if existing appliance is older than 2001)**.
 - ▶ Program design should be modified to facilitate installation of all tangible bill savings measures in the easiest way possible.
 - ▶ In order to receive electric ESAP services other than tangible bill savers, a household should have to meet a 4% savings threshold.
 - ▶ More comprehensive retrofits may benefit from Energy Audit software.

(over)



Utilize Portion of Budget Savings to Enhance ESAP Workforce

- Program budget savings should be re-invested in the existing ESAP workforce.
 - ▶ DRA recommendations will likely decrease weatherization work.
 - ▶ Offset negative job impacts by developing skills of incumbent ESAP workforce to facilitate employment through other programs.

Increased Regulatory Oversight and Administrative Engagement is Required

- Utilities should re-run budget planning and savings models based on DRA's recommendation to increase and decrease some measure installation rates and use better estimate of energy savings values.
- The CPUC should utilize the annual ESAP report milestone as the time to propose and comment on mid-cycle program changes.
- Some administrative costs should be re-directed to convene an ESAP working group to address outstanding ESAP policy and methodological issues, such as evaluating new measures, developing workforce standards, and updating low-income cost-effectiveness.