



Key ESAP Issues in PD

See **DRA Recommended Modifications to IOU Applications**

ISSUE	Proposed Decision	DRA Position
Program Design & Delivery	<p>Working Groups / Reports to Address Solutions in 2013</p> <ul style="list-style-type: none"> ▪ HVAC alignment btwn EE and ESAP ▪ EE and ESAP Integration ▪ Cost-effectiveness ▪ Workforce, Education & Training ▪ Impact Evaluation: ED's EM&V ▪ Multi-Family Segment Study-Consultant ▪ Ongoing Working Group for refinement of all aspects of ESAP 	<p>DRA supports Working Groups / Reports with slight modifications:</p> <ul style="list-style-type: none"> ▪ Assign responsibility to utilities for conducting working groups and reports: <ul style="list-style-type: none"> ▶ Administrative budgets (10%) should be used for such activities. ▶ Preserves Energy Division's independence as regulator. ▪ Incorporate formal public comments on proposals and recommendations to create record of program changes.
Energy & Customer Benefits	<ul style="list-style-type: none"> ▪ Compromises program benefits by accelerating same program problems without fixes so that benefits are not realized through customer bill savings, which is driven by energy savings. <ul style="list-style-type: none"> ▶ Retains '3 Measure Minimum Rule' as program cost-effectiveness mechanism. ▶ Retains 0.25 measure cost-effectiveness mechanisms. 	<ul style="list-style-type: none"> ▪ Approve utilities' request to relax ineffective rules (3 measure minimum, 0.25 measure threshold) that create missed opportunities. ▪ Require segment of ESAP homes to receive deep retrofit modeled on Energy Upgrade California, with appropriate modifications. ▪ Approve DRA's alternative for no threshold to provide low-cost package of 'tangible bill savers' to all households and 4% minimum savings threshold for deeper retrofits. <p style="text-align: center;">OR</p> <ul style="list-style-type: none"> ▪ Approve NRDC's alternative measure cost-effectiveness mechanism of the average portfolio benefit.
Number of Households Served	<ul style="list-style-type: none"> ▪ Increases utilities' proposal for number of households served prior to fixing problems with current program. 	<ul style="list-style-type: none"> ▪ Approve utilities' request for number of households served, but slightly reduce pace of service pending completion of PD's required program reports and refinements.



(Continued)

ISSUE	Proposed Decision	DRA Recommends
<p>PROGRAMS:</p> <p><i>Weatherization</i></p> <p><i>Heating & Hot Water</i></p>	<ul style="list-style-type: none"> ▪ Denies utility proposals to remove least cost-effective measures. ▪ See DRA’s analysis that weatherization is high cost and low benefit. ▪ Misses opportunities to provide deep energy savings to low-income households. 	<ul style="list-style-type: none"> ▪ Modify least cost-effective measures such as weatherization. <ul style="list-style-type: none"> ▶ Target weatherization to households based on usage and temperature differences. ▪ Adopt NRDC legal analysis that heating & hot water is not prohibited in rental dwellings. <ul style="list-style-type: none"> ▶ Apply DRA 50% co-pay policy.
<p>Deep Retrofits:</p> <p><i>Multi-Family improvements</i></p> <p><i>Workforce Improvements</i></p> <p><i>EE and ESAP Integration</i></p>	<ul style="list-style-type: none"> ▪ Silent on program upgrades to drive deep retrofits. ▪ Ignores concern that current contract structure (requiring contractors to serve number of homes with low budgets) compromises deep service. <p style="text-align: center;">Reduces Some, but Not Most Key Barriers</p> <ul style="list-style-type: none"> ▪ Coordinates multi-family ESAP w/ EE. ▪ Recommends same day enrollment & installation; whole-building approach. ▪ Consultant report by May 1, 2013. ▪ Does not remove prohibition on providing heating & hot water improvements in rental dwellings. <ul style="list-style-type: none"> ▪ Requires tracking and reporting of workforce metrics. <p>Adherence to 2013-2014 EE Guidance</p> <ul style="list-style-type: none"> ▪ Lighting, Outreach, Workforce, Heating-Ventilation-A/C Installation, Evaluation. ▪ Requires utilities to use audit tools with ESAP. 	<ul style="list-style-type: none"> ▪ Require segment of ESAP homes to receive deep retrofit modeled on Energy Upgrade California, with appropriate modifications. ▪ Target whole buildings with potential for energy service. ▪ Apply 20% savings threshold for servicing whole (multi-family) buildings. ▪ Apply higher contractor certification standards to multi-family and ALL ESAP dwellings. ▪ DRA supports PD’s workforce improvements & integration with EE. ▪ DRA supports PD’s integration of ESAP and EE.



Key CARE Issues in PD

See **DRA Recommended Modifications to IOU Applications**

ISSUE	Proposed Decision	DRA Position
<p>Improve Verification Systems to Reach All <i>Eligible</i> Customers</p>	<ul style="list-style-type: none"> ▪ Approves PG&E’s proposal to apply new rules to high-use customers without customer protections, for all IOUs. <ul style="list-style-type: none"> ▶ ~1% of high-use customers use ~10% of subsidy. ▪ Denies utilities’ and consumer parties unanimous request to examine individual categorical programs for alignment. ▪ Goes beyond utility requests to substantially increase income verification to ~50%. 	<ul style="list-style-type: none"> ▪ Approve PG&E’s proposal with consumer groups’ slight modifications (appeal process) for legality and protection. ▪ Retain the categorical programs reasonably aligned with 200% Federal Poverty Level (FPL). ▪ Approve IOU requests to continue, and increase, the targeted sample of customers required to provide proof of eligibility.
<p>Maximize Enrollment of <i>Eligible</i> Customers</p>	<ul style="list-style-type: none"> ▪ Removes enrollment goal; subsidy savings premised on removing customers from program. ▪ Asserts unproven assumption that high enrollment = ineligible enrollment. 	<ul style="list-style-type: none"> ▪ Approve IOU applications: <ul style="list-style-type: none"> ▶ Maintain 90% enrollment goal, so that eligible customers replace those removed. ▶ Program administrators already target those least likely to qualify.
<p>CARE Eligibility Rules</p>	<p>Removes Customers from CARE to Reduce Subsidy</p> <ul style="list-style-type: none"> ▪ Via income documentation increase (25%). ▪ Via replacement of categorical verification with income verification: categorically enrolled customers subject to income verification after 3 months, only acceptable proof of qualification income documentation. <ul style="list-style-type: none"> ▶ Data showed only 2% of categorically enrolled exceed 200% of FPL. ▪ Via replacing recertification with income documentation (25%). PD does not consider current quality control methods and associated cost-efficiencies. 	<ul style="list-style-type: none"> ▪ Approve IOU applications for targeted increase. ▪ Retain the categorical programs reasonably aligned with 200% FPL. <ul style="list-style-type: none"> ▶ Deny PG&E and SoCalGas request to require income declaration as requirement of categorical enrollment. ▶ Conduct workshops to examine list of categorical programs to determine alignment with 200% FPL. <p>Eliminating one of the most cost-effective enrollment options flies in the face of nationwide best practices.</p> <ul style="list-style-type: none"> ▪ Approve IOU applications to continue targeting least likely eligible for documentation.