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BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

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 (Filed May 15, 2008)
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)

NOTICE OF EX PARTE COMMUNICATION

In accordance with Rule 8.3 of the Commission's Rules of Practice and Procedure, the Division of Ratepayer Advocates (DRA) hereby gives notice of the following Ex Parte Communication in the above proceeding.

On October 8, 2008, representatives of DRA met with Robert Kinosian, Advisor to Commissioner Bohn, at the offices of the California Public Utilities Commission, 505 Van Ness Avenue, San Francisco, California 94102. The meeting occurred at 10:45 a.m. and lasted for approximately twenty minutes. DRA attendees included Risa Hernandez, Supervisor in the Electricity Pricing and Customer Programs branch of DRA, and Karen Watts-Zagha, Regulatory Analyst for DRA.

The purpose of the meeting was to discuss DRA's support for the CARE-LIEE Proposed Decision (PD) of ALJ Thomas. DRA also discussed some recommendations to modify the PD, as specified in the attached handout. DRA also distributed copies of its Opening Comments on the PD. The meeting was initiated by DRA.

Copies of this Notice can be obtained by calling or sending e-mail to Sue Muniz at (415) 703-1858 ([e-mail=sam@cpuc.ca.gov](mailto:sam@cpuc.ca.gov)).

Respectfully submitted,

/s/ JONATHAN BROMSON

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October 8, 2008



2009-2011 CARE/LIEE Proposed Decision A.08-05-022 et. Al

Background

ALJ Thomas' Sept. 16 Proposed Decision (PD) authorizes the IOUs to:

- enroll 90% of eligible low-income households in CARE at cost of nearly \$900 million per year
- reach 25% of eligible low-income households for LIEE installations at cost of approximately \$300 million per year (double the last budgets)
- generate annual energy savings of >81 million KWH, >5.3 million Therms, and demand reduction of >22,000 KW

The PD is scheduled for a vote at the October 16, 2008 Commission meeting.

DRA Generally Supports the PD

The PD provides significant and real energy savings for California's low-income customers.

The PD:

- More than doubles LIEE energy savings by 2011
- Expands the program to more households and targets those most in need
- Increases cost-effectiveness by measuring leveraging and integration efforts across various low income programs
- Requires independent evaluation of the LIEE program for the first time

DRA Seeks 3 Modifications

PD locks in budgets for 3 years with no mechanism for correction should IOUs fail to meet goals for program participation, more energy savings at lower cost, leveraging & integration

- DRA recommends 1)making the LIEE savings contribution to the Risk Reward Incentive Mechanism contingent upon meeting LIEE goals, and 2)requiring the utilities to demonstrate progress toward goals in annual Advice Letter filing

PD would eliminate services with zero energy impacts, i.e., Furnace Repair and Replacement, Minor Home Repairs, Air Conditioning without considering health, comfort and safety

- Consistent with LIEE history, DRA recommends the Decision retain these LIEE services or at minimum, consider the need for these services in the context of an LIEE cost-effectiveness methodology review

PD relies upon incorrect cost-effectiveness (CE) values and dispenses with LIEE CE methodology

- DRA recommends re-rerunning cost-effectiveness tests with *most current* avoided cost values and excluding overhead before applying the cost-effectiveness threshold to eliminate services
- DRA recommends CPUC review LIEE cost-effectiveness methodology through written comments or workshops



Noteworthy LIEE Goals Articulated in the PD

	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 ¹ Other IOUs: none
3.	Of the 25% of eligible customers receiving LIEE treatment, 15% must be disabled	None
4.	Track and report annually on all integration efforts listed in applications. Two out of four integration metrics must be met ²	If metrics are not met, IOUs must work with ED to enhance integration during the 2009-11 cycle ³
5.	Leveraging metrics must be met: costs saved, energy saved increases, enrollment increases, and each partnership must be the subject of an MOU ⁴	If metrics not met, IOUs must cooperate with ED as necessary to assist the division in making its recommendations ⁵
6.	Energy savings of the portfolio must increase over time with correlation between program spending and energy savings ⁶	The Impact Evaluation study must show that energy savings are increasing over time, with correlation between program spending and energy savings ⁷

¹ PD p.169

² PD p.106

³ PD p.106

⁴ PD p.116-117.

⁵ PD p.117

⁶ PD p.42 and OP 76

⁷ PD p.42 and OP 76

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a copy of the foregoing document **NOTICE OF EX PARTE COMMUNICATION** in **A.08-05-022 ET AL.** by using the following service:

E-MAIL SERVICE: sending the entire document as an attachment all known parties of record 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, if any.

Executed on **October 8, 2008**, at San Francisco, California.

/s/ ANGELITA MARINDA

Angelita Marinda

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