

**BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA**



**FILED**

09-30-10  
04:59 PM

Application of Southern California Edison  
Company (U338E) for Approval of Palm  
Desert Partnership Through the 2010-2012  
Energy Efficiency Program Cycle.

Application 10-07-004  
(Filed July 2, 2010)

And Related Matter.

Application 10-07-006

**REPLY COMMENTS TO ADMINISTRATIVE LAW JUDGE'S RULING SEEKING  
INFORMATION TO ENHANCE THE RECORD ON  
PALM DESERT PARTNERSHIP PROGRAM APPLICATIONS FOR 2010-2012**

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Dated: September 30, 2010

**REPLY COMMENTS TO ADMINISTRATIVE LAW JUDGE’S RULING SEEKING  
INFORMATION TO ENHANCE THE RECORD ON  
PALM DESERT PARTNERSHIP PROGRAM APPLICATIONS FOR 2010-2012**

Pursuant to the schedule adopted by Administrative Law Judge’s September 8<sup>th</sup> Ruling Seeking Information to Enhance the Record, The Utility Reform Network (TURN) respectfully submits the following reply comments to the ALJ’s questions on the applications and protests relating to the Palm Desert Partnership Program (PDDP). On July 2<sup>nd</sup>, Southern California Edison (SCE) and Southern California Gas Company (SCG) each filed an application to continue their Palm Desert partnership pilot (Palm Desert pilot) programs. At the August 31, 2010 Prehearing Conference, ALJ Gamson requested that parties respond to questions pertaining to the applications and protests. Party comments were filed September 24.

**I. Discussion**

TURN cautions the Commission against granting the IOUs’ request to continue Palm Desert pilot funding in order to “enable the IOUs to gather data addressing all the criteria in order to support a full analysis of the Partnership<sup>1</sup>” [emphasis added]. First, Southern California Edison (SCE) and Southern California Gas Company (SCG) have had now more than three years to provide accurate data addressing the Commission’s concerns about the viability of Palm Desert pilot’s programs. Moreover, the Palm Desert Partnership and Demonstration Program Implementation Assessment (June 2010)(PD Assessment)’s criticism of the program’s failure thus far to adequately track pilot activities and design casts doubt on the rationale behind the current request:

The program also had an approved budget that was significantly larger than other local government programs and per capita spending levels much greater than any other LGP program. As such there should be an expectation that a greater level of rigor would be applied to ‘demonstration’ program design and monitoring of activities and expenditures. In contrast to this expectation, it appears that this program was not treated as a ‘demonstration’ or ‘pilot’ platform.

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<sup>1</sup> Response of SCE and SCG to ALJ’s Ruling (Sept. 8, 2010), p. 9.

Specifically; [t]he program offered very little in the way of documentation to define or track the design innovations featured by the PDP&D program. While it is possible that significant resources could be spent to conduct a forensic analysis that reaches conclusions that differ with this evaluation, the program was adequately funded to provide this level of design and monitoring rigor but did not.<sup>2</sup> [emphasis added; footnote omitted]

The IOUs' response also claims that a number of its Palm Desert pilot programs are innovative. As we have stated repeatedly, neither SCE nor SCG's applications really explain how these programs are innovative or unique. In addition, while SCE and SCG's response highlight "new" proposed programs for the 2010-2012 cycle, it is not obvious how some of these programs (e.g. *See* Response of SCE and SCG, p. 9: "*Set to Save Recognition Program*: this new program will acknowledge and reward those who have made EE investments" and "*Expanded Sales Channels*: this new strategy involves holding meetings with general contractors and insulation installers for the Energy Upgrade California program") truly warrant the millions of dollars in ratepayer funding that SCE and SCG have received and request to continue generating "innovative" programs like these.

TURN stands by its observation that the Palm Desert pilot has not met the Commission's expectations nor the goals defined in the Strategic Plan. However, if the Commission decides to authorize a continuation of the Palm Desert pilot, any funding granted or shifted from other energy efficiency programs should be at a severely reduced level. Furthermore, the Commission should hold the partnership to the original five-year schedule/timeline beyond which no additional funding should be granted. TURN recommends that the balance of any such portfolio cycle should be used to evaluate the pilot's programs, deliver on information and performance sought by the Commission and Energy Division, and transfer any "best practices" to SCE's and SCG's core program portfolio. Decision 09-09-047 and the Strategic Plan provide more than sufficient guidance for the IOUs to modify and upgrade their programs and activities.

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<sup>2</sup> PD Assessment, p. 48.

## II. Conclusion

TURN appreciates the opportunity to work with the Commission towards achieving the Commission's energy efficiency objectives and respectfully submits these reply comments to the September 24, 2009 comments.

Respectfully submitted,

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Dated: September 30, 2010

CERTIFICATE OF SERVICE

I, Larry Wong, certify under penalty of perjury under the laws of the State of California that the following is true and correct:

On October 5, 2010, I served the attached:

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on all eligible parties on the attached list **A.10-07-004 and A.10-07-006** by sending said document by electronic mail to each of the parties via electronic mail, as reflected on the attached Service List.

Executed this October 5, 2010, at San Francisco, California.

/S/  
Larry Wong

**Service List for A.10-07-004 and A.10-07-006**

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