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**Appendix A**  
**to Administrative Law Judge's Ruling**

**First Set of Questions**

## Strategic Plan Goals

1. One of the goals of the State's Energy Efficiency Strategic Plan (Strategic Plan) is to integrate customer programs. It also provides that "program options must be offered in a unified fashion so that energy users receive complete Demand Side Management information with minimum effort."<sup>1</sup> It is not yet clear that the Energy Savings Assistance (ESA) Program is effectively working towards these goals. **All parties** are directed to respond to the following:
  - a. How can the ESA Program be improved to provide Integrated Demand Side Management (IDSM) to the low income community?
  - b. What IDSM activities are being pursued in the ESA Program?
  - c. What IDSM activities can and should ESA Program pursue, in the short, medium and long term?
  - d. Are current residential Demand Response programs (such as AC recycling) attracting low income customers? If not, what can be done to improve that?
  - e. Could more or better targeted marketing efforts increase the number of low income customers enrolled in residential Demand Response programs? If so, how?
  - f. Could the deployment of Smart Meters provide opportunities for this in the medium and long run? If so, how?
  - g. Could existing or new Demand Response programs be coordinated with ESA Program so as to provide information to customers in a unified fashion? If so, how?
  - h. Are there aspects of the Single Family Affordable Homes (SASH), Multi-family Affordable Homes (MASH), or low income hot water heating programs that could be coordinated with ESAP? If so, what are they?
  - i. Could this coordination start with joint ESA Program/solar marketing materials, in the short run? If so, how? If not, why?
  - j. How should we go about developing a strategy for more complete coordination of ESAP with existing solar programs in the medium and long run?

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<sup>1</sup> Demand Side Management (DSM) is a general energy term that refers to and includes all demand-side (i.e., customer) programs. It includes all Energy Efficiency programs (including Energy Upgrade California) and Demand Response programs, as well as any kind of generation or storage technology that is on the customer side of the meter. The mandate of the Strategic Plan is to do **Integrated** Demand Side Management (IDSM), which means to develop programs that include two or preferably more of the different types of DSM. In other words, to transform all the different, separate DSM programs into a coordinated IDSM effort.

- k. What is the best way to develop a long term strategy for integration of Energy Efficiency, Demand Response, solar and other distributed generation, and other programs and technologies, so as to better enable low income customers to manage their loads?
- l. Can Smart Meters and other Smart Grid improvements provide us with new opportunities to do this? If so how?

### **Size of Effective California Alternate Rate for Energy (CARE) Discount**

2. **Pacific Gas and Electric Company (PG&E), Southern California Edison Company (SCE), Southern California Gas Company (SoCalGas) and San Diego Gas and Electric (SDG&E) (collectively, IOUs)** are directed to compare the total electric bills of the IOUs' CARE customers with the amounts that would be charged to hypothetical non-CARE customers with the same usage levels as follows:
  - a. What is the median (50<sup>th</sup> percentile) effective discount of CARE bills vs. the hypothetical non-CARE bills for the same usage?
  - b. What is the 75<sup>th</sup> percentile CARE discount from the hypothetical non-CARE bills for the same usage (i.e., the discount which is at the 75<sup>th</sup> percentile of CARE discounts, when CARE discounts are ranked from smallest to largest)?
  - c. What is the 90<sup>th</sup> percentile CARE discount from the hypothetical non-CARE bills for the same usage?
3. Toward better aligning the size of the effective CARE discounts toward the discounts envisioned in P.U. Code § 739.1, **all parties** are directed to respond to the following:
  - a. To better align the effective CARE discounts back to the legislated mandate, would changes be required to Commission decisions, or the P.U. Code, or both?
  - b. If so, what changes to either Commission decisions or the P.U. Code or both would you recommend to better align the effective CARE discounts back to the legislated mandate, while minimizing rate shock to CARE customers?

### **Rate Impacts of CARE Surcharges**

4. Total CARE and ESA Programs rate surcharges vary widely as a percent of average electric rates excluding these surcharges. For industrial customers, this percentage ranges from 2.8% for SDG&E to 7.2% for PG&E, based on

2012 projected rates. Based on the foregoing, **IOUs** are directed to respond to the below questions:

- a. Does the surcharges associated with the CARE program significantly affect the IOUs' ability to remain competitive in the utility industry? If so, explain how. If not, explain.
- b. Does the surcharges associated with the ESA Program significantly affect the IOUs' ability to remain competitive in the utility industry? If so, explain how. If not, explain.
- c. Would restructuring the surcharges that collect revenues to support CARE and ESA programs to equal percentages of distribution rates be more equitable than the current method of using equal cents / kWh charges? What are the practical impediments to doing so?

### **High-usage CARE Customers**

5. PG&E provided data regarding extremely high-usage customers. In order to better discern the magnitude of this concern and the necessary regulatory response, **IOUs** are directed to respond to the following:
  - a. The other three IOUs, other than PG&E, should provide the percent of their CARE customers that had annual usage during 2010 of 400 – 600% of baseline quantities, and the percent that had annual usage over 600% of baseline quantities.
  - b. Has PG&E or other IOUs developed protocols for what its field representatives should do if their contacts with extremely high-usage customers reveal obvious signs of utility services being used in furtherance of illegal activities? If so, what are they?
  - c. Has PG&E or other IOUs identified any legal issues, concerns or precedents regarding privacy and law enforcement agency access to utility data as applied to such situations (use of utility services in furtherance of illegal activities)? If so, explain what they are.

### **CARE Outreach Budget**

6. Based on the concerns and questions raised by DRA in its opening testimony, **DRA** is directed to provide responses to the following:
  - a. Explain the detailed basis for the newly proposed budgets for CARE Outreach and explain how these figures have been derived/estimated, including the breakdown of estimated costs.

- b. Provide concise justifications for each of the proposed budget components.

### **Categorical Eligibility**

7. In the event that the current categorical eligibility list of programs is modified or otherwise streamlined to align the programs' income eligibility requirements to be consistent with ESA/CARE Programs income guidelines, **IOUs** are directed to respond to the following:
  - a. Identify which and how many of these programs would be removed.
  - b. Provide an estimate of the affected population caused by such removal.
  - c. Explain and quantify, if appropriate, whether the removal of these programs from categorical eligibility translates into CARE subsidy savings.
  - d. Provide an estimated cost of requiring income documentation for all CARE re-certifications.
  - e. Explain how that figure is derived/estimated, including the breakdown of estimated cost.

### **Division of Ratepayer Advocates's proposal of installing "Tangible Bill Savers"**

8. **Division of Ratepayer Advocates (DRA)** is directed to elaborate on its proposal for "Tangible Bill Savers" and the **IOUs and other** parties are also directed to respond as follows:
  - a. Explain whether DRA's proposal of installing "Tangible Bill Savers" at the initial enrollment/assessment visit can be readily implemented. If so, explain how. If it is not, then explain why not.
  - b. Explain whether the same contractor enrolling the customers are able to also perform these installations, and if so, explain why this does not occur today.

### **Repair and/or replacement of functioning space and hot water heating equipment**

9. The **IOUs** are directed to provide an annual estimated cost, broken down by service territory, for allowing the repair and/or replacement of functioning space and hot water heating equipment in tenant occupied households as approved measures.

### **Replacing pre-2001 refrigerators as compared to replacing pre-1999 refrigerators**

10. **With the exception of PG&E** that has already provided this figure, **the other IOUs** are directed to respond to the following:
- a. Provide an annual estimated additional cost and quantity of replacing pre-2001 refrigerators as compared to replacing pre-1999 refrigerators in the upcoming budget cycle.
  - b. **All IOUs:** Quantify an estimated delta in energy savings per dollar spent.

### **Natural Gas Appliance Testing Reform**

11. **DRA** is directed to respond to the following:
- a. Propose as an appropriate co-pay amount for their proposal to reform Natural Gas Appliance Testing (NGAT) policy to expedite repairs.
  - b. Provide concise justification for the proposed amount.
  - c. If a co-pay amount were to be applied towards the replacement policy to include functioning space and hot water heating equipment in tenant occupied households as proposed,
    - (1) propose as an appropriate co-pay amount, and
    - (2) provide concise justification for the proposed amount.

### **Whole House Approach for Multifamily Buildings**

12. National Consumer Law Center (NCLC), National Housing Law PROJECT (NHLP) and California Housing Partnership Corporation (CHPC) propose the whole house approach for multifamily (MF) rental buildings. **NCLC, NHLP and CHPC** are directed to respond to the following:
- a. Provide list of specific measures and or additional services you propose for the MF buildings that are not currently funded by ESA Program.
  - b. Provide the estimated costs associated with those measures and services.

### **Joint Parties' CARE Capitation Fee Proposal**

13. In the testimony of Black Economic Council, Latino Business Chamber of Greater Los Angeles and the National Asian American Coalition (collectively

Joint Parties), the Joint Parties propose a \$20 capitation fee. The **Joint Parties** are directed to respond to the following:

- a. Explain how they arrived at the proposed \$20 CARE capitation fee figure.
- b. Explain whether the Joint Parties' proposal is that such proposed capitation fee should apply to all community based organizations (CBOs) regardless of each CBOs' level of involvement in the enrollment of CARE customers or whether and how they would address the different levels of CBOs' involvement as they relate to the capitation fee.

### **Tablets, Paperless Forms, and Energy Education**

14. **Energy Efficiency Council (EE Council) and the IOUs** are directed to respond to the following:

- a. Clarify whether EE Council is proposing that the purchase and maintenance of these tablets be borne by the ESA Program.
- b. Provide an estimated cost to purchase and maintain, including administration costs, of enabling paperless via PC tablets/notebook computers.
- c. Explain who will house such equipment and how such equipment would be owned, maintained and tracked.

15. **EE Council and the IOUs** are directed to respond to the following:

- a. Identify and provide an estimate of the cost savings resulting from the use of PC tablets/notebook computers for paperless forms.
- b. Explain when and where within the program budget those savings would be realized.

16. **EE Council and the IOUs** are directed to identify and provide an estimate of the cost, per home, of providing energy education at the time of enrollment if the home does not qualify for other measures.

### **Three Measure Minimum Model and Measures**

17. **IOUs** are directed to review their 2009 through 2011 data and provide an estimate of the percentage of homes that are enrolled in ESA Program, but end up not qualifying for any services because they do not meet the current Three Measure Minimum Rule.

18. **IOUs** are directed to review their 2009 through 2011 data and provide an estimate of the percentage of homes that are enrolled in ESA Program, receive services and measures, but end up not qualifying because they are later deemed ineligible, resulting in a "charge back" to the service provider.
19. To the extent practicable, the **IOUs** are directed to identify and explain the main reasons for why those customers no longer qualify for ESAP.

#### **4% Energy Savings Threshold versus Three Measure Minimum Model**

20. **IOUs** are directed to:
  - a. Examine whether the contractors can readily implement DRA's proposed 4% energy savings threshold (in lieu of the current three measure minimum threshold) and if so how, and if not, then explain why not and describe the impediments.
  - b. Explain whether the contractors currently have access to the necessary energy usage and household characteristics information and whether they have the necessary capability today to perform the needed analysis prior to arriving at a home to do conduct an assessment and begin installations.

#### **Post Enrollment Verification (PEV)**

21. **IOUs** are directed respond to the following concerning PEV:
  - a. Several IOUs utilize a random selection probability model to direct post-enrollment verification activities. What are the pros and cons of adopting a uniform probability model across all four IOUs?
  - b. What are the estimated costs of increasing the Post Enrollment Verification rates for non-verified CARE customers to 5%, 10%, 15%, 20%, 25% annually?
  - c. Using 2009 through 2011 data, explain and quantify, if appropriate, whether the incremental increase in PEV rates translates into CARE subsidy savings.

#### **Joint Parties' Proposal for Tripling the CARE and ESAP Budget**

22. **Joint Parties** are directed respond to the following concerning its proposal:
  - a. Provide a detailed analysis supporting the Joint Parties' proposal to triple the funding of both the CARE and ESAP programs for each of the IOUs.
  - b. Explain what public needs justify such dramatic increase.
  - c. Explain what rate increases would be necessary and rate impacts would occur to non-ESAP and non-CARE ratepayers.

- d. Explain how such rate increases and rate impacts to non-ESAP and non-CARE ratepayers could be mitigated.
- e. Explain whether such proposal would also include tripling the homes treated goal, and if so, please explain how operationally the IOUs and contractor workforce base would be able to ramp up in a timely manner to accommodate this envisioned effort.

#### **Joint Parties' Proposal for Increase Outreach Budget**

23. The Joint Parties recommend in their reply testimony that the outreach and enrollment budget be increased in order to fully fund program marketing efforts with the CBOs. **Joint Parties** are directed to respond to the following:
- a. Provide a detail data illustrating the specific outreach and enrollment needs that justify such proposed increase in funding.
  - b. Provide an estimated figure of the annual outreach and enrollment budget (for each of the IOUs) that you believe would be sufficient to serve this need and purpose.
  - c. Explain how is this estimate was derived.
  - d. If we had to cut from other aspects of the CARE and ESA Programs to additionally fund the outreach and enrollment budget, where should such cuts be made and how much should such cuts be? And explain why those particular cuts would be justified.

#### **Cost Effectiveness Tests and Measures**

24. **All parties** are directed to respond to the following:
- a. If the Commission were to base the program Cost Effectiveness (CE) on the entire ESA Program portfolio, rather than the current measure-level approach, what benefit cost ratio should the portfolio be required to achieve on the Utility Cost Test and modified Participant Test?
  - b. Should the portfolio also be required to achieve a certain benefit cost ratio on the Total Resource Cost (TRC) test, which is currently used on for reference?
25. In looking at a resource measure vs. an equity measure schema, **all parties** are directed to respond to the following:
- a. Do we apply them to same cost-effectiveness test or different ones?
  - b. If different ones, explain which, how and why?

26. Several parties have suggested that the ESA Program CE method include equity goals. Assuming such equity goals are considered, **all parties** are directed to respond to the following:
- What equity goals, if any, should be included and why?
  - How should they be incorporated into the cost-effectiveness framework?
  - How should they be measured?
27. Several parties have suggested that additional non-energy benefits (NEBs) should be included in the cost-effectiveness tests, such as societal NEBs. Assuming such NEBs are considered, **all parties** are directed to respond to the following:
- Which additional NEBs in particular should be included and why?
  - Which NEBs in particular should be excluded and why?
  - How should NEBs be incorporated into the CE framework?
  - How should NEBs be measured?
28. Several parties suggested improvements to the current CE tests such as using qualitative adders, accounting for lost opportunities, developing a different way of allocation administration costs to individual measures, and more attention paid to the updating and accuracy of input data. Assuming such potential improvements to the current cost-effectiveness tests are considered, **all parties** are directed to respond to the following:
- Specify what improvements are needed and why.
  - Describe how, exactly, such improvements can be made to the existing CE tests?
  - Explain whether the improvements to the ESA Program CE methods should be made by a process headed by a working group or by an Energy Division-led workshop process.
  - Explain the pros and cons of each foregoing procedural options (working group versus workshops).
  - Describe any other procedural options or tools that would be suited to meaningfully explore, debate and ultimately present those findings to the record on the potential improvements to the cost-effectiveness methods.
29. The Utility Reform Network (TURN) recommends eliminating the minimum savings threshold. **TURN** is directed to clarify the following:
- Is TURN recommending that a new threshold be implemented or that ESA Program should have no such threshold at all.

- b. If TURN believes a new threshold should be implemented, explain what that threshold should be and why.
30. TURN proposes that ESA Program utilize core Energy Efficiency' (EE's) full list of measures where it makes "reasonable economic sense." **TURN** is directed to respond to the following:
  - a. Clarify what it means by those measures making "reasonable economic sense."
  - b. Explain whether TURN equates reasonable economic sense in the EE context to necessarily translate to reasonable economic sense in the ESAP context.
  - c. Explain whether TURN is proposing that that the Commission apply identical reasonableness approach and standard in the ESA Program and EE programs, and if so, explain why. If not, describe a proposed reasonableness approach and standard befitting the ESA Program and explain.
31. **San Francisco Community Power (SFCP)** is directed to respond to the following:
  - a. Specify what specific measures would be eligible for the CARE Customer Choice pilot.
  - b. Explain how such measure offerings differ from the IOUs' proposed measure offerings of pre-1999 refrigerators, smart power strips, CFLs and other energy efficient lighting in the applications.
32. **Green For All and Brightline Defense** are directed to provide an analysis as to whether the integration of ESAP into the IOUs' Sector Strategy Action Plans outlined in their 2010-2012 Statewide Workforce Education and Training (WE&T) Program Modifications Advice Letters meet the WE&T needs outlined in the 2008 California Long Term Energy Efficiency Strategic Plan.
33. Relating to the revision of the refrigerator replacement criteria to include pre-2001 models, **DRA** is directed to respond to the following:
  - a. How would pre-2001 models that meet the 2001 DOE revision of the Appliance Standard for refrigerators be identified for ineligibility?
  - b. Who would be responsible for determining which refrigerators meet DOE revision?
  - c. How feasible is it to have contractors analyze potential refrigerator nameplates to determine if a model in question is eligible for

replacement under these proposed program rules?

34. **IOUs** are directed respond to the following concerning CFLs:
- a. Estimate and provide basis for the estimation as to how much the proposed budget would differ if CFLs were excluded from the Three measure Minimum policy.
  - b. Estimate and discuss the budget impacts of removing the current ESA Program limits on 5 CFLs allowed per household.

### **Multifamily Sector Issues**

35. **TELACU** is directed to further clarify its "Solutions template" on page 12 of its Opening Testimony.
36. A Multifamily Housing Data Warehouse (MHDW) is briefly described on page 11 of TELACU's Opening Testimony and elsewhere. **TELACU** is directed to provide the responses to the following:
- a. Provide a detailed proposed budget for development and maintenance of MHDW.
  - b. Provide details on who would develop MHDW, who would own it and what its fate would be subsequent to the pilot.
37. Concerning its proposed MHDW pilot, **TELACU** is directed to provide the responses to the following:
- a. MF EE Managers are central to the proposed MHDW pilot. How many managers are proposed for each IOU, and what is the estimated budget for this budget component?
  - b. Are these costs included in the pilot budget? If so, in what budget category are the MF EE Managers costs included?
  - c. On page 16 of the TELACU's Opening Testimony, a "limited test" of full funding for the upfront costs of investment grade audits is proposed. Describe the size of this "limited test." How many buildings would be eligible for this offer? What would be the estimated budget for these tests?
  - d. On page 17 of the TELACU's Opening Testimony, it is proposed that BPI certified MF analysts supervise any EUC related work. The California Home Energy Coordinating Committee MF Subcommittee proposes that MF performance based whole building work be overseen by HERs II MF raters. Explain why TELACU's pilot does not propose this as well.

- e. Would a "test out" quality assurance review of the correct installation of EUC measures be conducted under the pilot? If so, by whom?
  - f. Would a "test out" modeled estimate of percentage of building energy savings be performed? In all buildings, or only some? What criteria would dictate decisions on this?
  - g. What does TELACU anticipate will be appropriate combustion safety protocols for EUC portions of the work?
  - h. How will a safe and the best approach be determined?
  - i. How would the mentioned BPI certified MF building analysts or HERs II MF raters be brought into the process and by whom? Who will pay these individuals and to whom will they report?
  - j. Page 27 of the TELACU's Opening Testimony mentions gathering of energy billing data. How will this be gathered, and by whom? What obstacles might make accessing, analyzing or sharing this information with the pilot administrators challenging and how will such obstacles be overcome in a timely fashion?
  - k. If energy billing data can be obtained, describe in more detail how it will be used to assess the pilot's performance? Provide a detailed explanation of whether and how energy billing data would inform both the Phase II evaluation and the comprehensive evaluation, or, given the timeline, only the comprehensive evaluation.
  - l. The pilot has energy savings goals, but no energy savings "definition of success" (TELACU's Opening Testimony p. 29). What would be appropriate measures of success for energy savings for the pilot?
  - m. Does TELACU have an estimate of energy savings expected from the pilot? If so, provide the estimate and explanation of how that was derived (including assumptions).
  - n. In order for the pilot to be scalable, it must provide energy savings at a reasonable overall cost. Provide additional information about how cost, measure installation and savings information gathered in the pilot can be used to assess: (1) costs/unit; (2) cost/kwh or therm saved; (3) overall costs to building owner; (4) any additional valuable cost/savings metrics.
38. Assuming the issue of multifamily sector would be further explored beyond April of 2012, **all parties** are directed to respond to the following:
- a. Explain whether the multifamily sector issues should be explored through a process headed by a working group, by an Energy

Division-led workshop process, a hearing or any combination of such.

- b. Explain the pros and cons of each foregoing procedural options (working group versus workshops versus hearing or combinations).
  - d. Describe any other procedural options or tools that would be suited to meaningfully explore, debate and ultimately present those findings to the record on the multifamily sector issues.
39. **All parties** are directed to respond to the following:
- a. Aside from cost-effectiveness issues and multifamily sector issues, what other issues require further review and exploration in the ESA and CARE programs beyond April 2012 that could streamline and otherwise add to the improved programs and application process in the budget cycle 2015-2018?
  - b. If there are other issues that should be reviewed or otherwise explored from now to the next set of ESA and CARE programs 2015-1018 budget applications, explain in detail what they are and how best that could occur during this budget cycle.