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

Application of Southern California Edison Company (U338E) for Approval of its 2012-2014 California Alternate Rates for Energy (CARE) and Energy Savings Assistance Programs and Budgets	A. 11-05-017 (Filed May 16, 2011)
Application of Southern California Gas Company (U904G) for Approval of Low-Income Assistance Programs and Budgets for Program Years 2012-2014	A. 11-05-018 (Filed May 16, 2011)
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**PREHEARING CONFERENCE STATEMENT OF
THE CALIFORNIA HOUSING PARTNERSHIP CORPORATION (CHPC)**

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I. INTRODUCTION AND SUMMARY

The California Housing Partnership Corporation (CHPC) submits this prehearing conference (PHC) statement pursuant to the July 21, 2011 Administrative Law Judge’s Ruling Consolidating Related Proceedings and Setting a Joint Prehearing Conference (July 21 Ruling). The July 21 Ruling directs Parties to comment on the scope and schedule of the proceeding as well as to identify any other issues not within the preliminary scope of issues listed in Section III of the July 21 Ruling. In summary, CHPC requests that:

- The proceeding schedule be modified to allow a more thorough review of complex issues while permitting a bridge-funding period that incorporates minor, noncontroversial improvements to the program in order to improve access by multifamily buildings to ESAP services;

- Relative to the more-thorough proceeding, Issues 6 and 3 be reframed to allow consideration of all Parties perspectives on multifamily and eligible measures not just those of the IOUs;
- The issues enumerated in CHPC’s June 17, 2011 Response be explicitly included in the current list of issues deemed within the scope of the more-through consolidated proceeding; and
- The issue of whole-house/building performance-based approach to energy retrofit services be included within the scope of the proceeding.

II. SCHEDULE OF THE PROCEEDING

In the July 21 Ruling, the Administrative Law Judge proposed a preliminary proceeding schedule beginning with the August 1 deadline for prehearing conference statements and ending with a proposed decision by October 2011.¹ CHPC appreciates the aggressive nature of the preliminary schedule since CHPC believes urgency is required to make substantive improvements to the ESA Program—particularly improvements to better serve low income multifamily rental households. However, CHPC is concerned that three months from a prehearing conference to a proposed decision is an unrealistic timeframe in which to identify, assess, craft and make meaningful substantive improvements to the ESA and CARE programs given all of the outstanding issues described in the July 21 Ruling and below.

The compressed schedule limits the ability of Parties to conduct meaningful discovery and provides no opportunity to present Party testimony or cross-examine company personnel who filed testimony and/or submitted exhibits. Such an expedited timeframe can only serve to preserve the status quo. CHPC agrees with the call by the Division of Ratepayer Advocates (DRA) and other co-signers in their July 27, 2011 letter to Commissioner Simon for “a proceeding schedule that will allow for a detailed review and the development of solutions for the proposed CARE and ESA programs that will lead to achieving the best possible programs for the next three year cycle.”²

¹ Administrative Law Judge Kimberly Kim, “Administrative Law Judge’s Ruling Consolidating Related Proceedings and Setting a Joint Prehearing Conference,” 5-6, July 21, 2011.

² Division of Ratepayer Advocates, et al., “RE: Proceeding Schedule for CARE and Energy Savings Assistance Program Dockets: Applications (A.)11-05-017, A. 11-05-018, A. 11-05-019, and A. 11-05-020,” 1, July 27, 2011.

In supporting the request for an extended proceeding schedule, however, CHPC urges the Commission to ensure that the need for thoroughness in the proceeding schedule does not eclipse the need to be expeditious in making at least one relatively simple improvement to a program that clearly does not serve multifamily households fairly. In addition, CHPC urges the Commission to ensure that any bridge funding necessary to prevent disruption to the ESA program contractors and their employees and to accommodate a schedule for a more thorough proceeding process extends no longer than is absolutely necessary.

In order to enable some program improvements to begin as soon as possible while ensuring the time necessary to consider fully the complex issues of these programs, CHPC proposes the following:

- **Adoption of DRA’s Sample Schedule for CARE and ESA Program Applications, which includes a Final Decision deadline at the end of April 2012.** This will ensure adequate time necessary for a detailed review and the development of improvements needed to establish the best possible CARE and ESA programs for the next cycle. As part of a more thorough proceeding schedule, CHPC joins NRDC³ and TELACU⁴ in calling for a workshop or hearing specifically to examine how the ESA Program can better serve multifamily customers.
- **Adoption of bridge funding through June 2012 and a July 1, 2012 start date for the new cycle of the CARE and ESA programs.** This will prevent any unnecessary delay in implementing the best possible programs for the next cycle while preserving continuity of services to low income customers and minimizing disruption to ESA program contractors and their employees.
- **Adoption of the preliminary proceeding schedule proposed in the July 21 Ruling to review and develop the CARE and ESA programs (including minor program improvements) for the bridge-funding period.** This bridge-funding proceeding schedule

³ Alex Jackson and Lara Ettenson, “Response of the Natural Resources Defense Council (NRDC) to Southern California Edison Company’s Application for Approval of their 2012-2014 Energy Savings Assistance and California Alternate Rates for Energy Programs and Budget,” 9-11, June 20, 2011.

⁴ James Hodges, “The Joint Protest of The East Los Angeles Community Union (TELACU), the Maravilla Foundation, and the Association of California Community and Energy Services (ACCES) regarding the Applications of Pacific Gas and Electric Company (U 39 M), San Diego Gas & Electric Company (U 902E), Southern California Gas Company (U 904G) and Southern California Edison Company (U 388-E) for Approval of their 2012–2014 Energy Savings Assistance and California Alternative Rates for Energy Programs and Budgets,” 12-13, June 17, 2011.

would facilitate the development of the CARE and ESA programs during the bridge-funding period and allow for minor, noncontroversial program improvements to be implemented during the bridge-funding period—and depending upon the outcome of the more-thorough proceeding—into the new cycle.

- **In scoping the issues and schedule for the bridge-funding period, CHPC urges the Commission to include the DOE list of income-qualified multifamily rental buildings for the federal Weatherization Assistance Program into the ESA Program Categorical Enrollment process as detailed below.** Adding the WAP-eligible list of buildings to the ESA program Categorical Enrollment process would be a minor program improvement that could be adopted for implementation beginning during the bridge-funding period as a way of demonstrating the Commission’s intent to address the inequities in services received between multifamily renters and other eligible households.

In their joint July 28, 2011 letter to Commissioner Simon, CHPC and the National Consumer Law Center “urges the Commission to condition any grant of bridge funding upon the immediate adoption of the building-level eligibility approach already approved by the California Department of Community Services and Development (CSD) and the federal Department of Energy (DOE) in the context of the Weatherization Assistance Program (WAP), which share the exact same eligibility criteria with ESAP[...]. This issue falls well within ALJ Kim’s preliminary scope of issues to be considered in the proceeding and is referenced in her ruling as item 15. DOE has already established a simple mechanism to establish income qualification of low income, multifamily buildings, which CSD has adopted and implemented throughout the state. Using this mechanism would ease the administrative burden of income-qualifying individual households for ESAP, which would save the utilities significant time and expense.”⁵

In summary, CHPC recommends the proceeding schedule be modified to allow more thorough review of complex issues while permitting a bridge-funding period that incorporates minor noncontroversial improvements to the program in order to improve access by multifamily buildings to ESAP services.

⁵ California Housing Partnership Corporation and the National Consumer Law Center, “RE: July 21 Administrative Law Judge’s Ruling Consolidating Related [ESAP and CARE] Proceedings and Setting a Joint Prehearing Conference; Bridge-Funding Proposal by DRA,” July 28, 2011.

III. SCOPE OF ISSUES IN THE PROCEEDING

In the July 21 Ruling, the Administrative Law Judge deemed 17 issues within the scope of the proceeding. CHPC generally agrees with the scope of issues identified in the July 21 Ruling relative to a more thorough proceeding schedule. However, CHPC urges the Commission to reframe Issues 6 and 3 in the Preliminary Scope of Issues on the Consolidated Proceeding section of the July 21 Ruling. In addition, CHPC seeks to ensure that the specific issues of concern raised in CHPC’s June 17 Response to the Investor Owned Utilities’ applications (CHPC’s Response) are included under the 17 issues or added separately as within the scope of issues in the consolidated proceedings.

A. REFRAMING ISSUES 6 AND 3 IN THE PRELIMINARY SCOPE OF ISSUES IN THE CONSOLIDATED PROCEEDING

The July 21 Ruling identifies as an issue, “6. Whether the Commission should authorize IOUs’ [Investor Owned Utilities] proposal to explore ways to improve the treatment and therefore penetration rates for the multifamily sector.”⁶ CHPC urges the Commission to broaden this issue to consider all ways (not just those proposed by the IOUs) to improve the treatment and penetration rates for the multifamily sector. More specifically, CHPC requests that this issue be expanded to include:

- Discussion of incorporating the U.S. Department Of Energy’s list of income-eligible buildings for the federal Weatherization Assistance Program (WAP) in order to increase the efficiency of enrolling low income multifamily rental households while reducing administrative burdens; and of outreach and education efforts (including the use of a nominal “referral fee”) focused on multifamily building owners and managers—particularly on those building with predicted populations of qualifying households.⁷
- Consideration of improvements to heating, cooling, and hot water systems as well as common area and other whole-building energy efficiency as eligible Energy Savings

⁶ ALJ Kim, July 21 Ruling, 3.

⁷ California Housing Partnership Corporation, “Response of the California Housing Partnership Corporation (CHPC) to Applications for Approval of 2012-2014 Energy Savings Assistance Programs and Budgets [from Southern California Edison Company, Southern California Gas Company, Pacific Gas and Electric Company and San Diego Gas and Electric Company,” 9-10 and 13-14, June 17, 2011.

Assistance (ESA) Program measures for multifamily rental buildings.⁸ Inherently, this issue will require a discussion cost effectiveness, which is reflected in Issue 8 of the July 21 Ruling.

These issues warrant inclusion to the scope of this consolidated proceeding since eligible households residing in multifamily rental buildings are among those targeted for CARE and ESA program benefits, but are underserved both in terms of number of households served and measures provided to such households. *While 43 percent of California's low income households live in multifamily housing,⁹ only 24 percent of homes treated by the ESA program from 2007 to 2010 were multifamily dwellings.¹⁰* In addition, prior ESA program decisions, relying on outdated and inaccurate information, have explicitly excluded improvements to heating and hot water systems and common areas in multifamily rental housing.¹¹ Yet, excluding these improvements—particularly domestic hot water—from ESA program services to multifamily rental housing creates an unnecessary and discriminatory distinction among classes of ESA-eligible households. In addition, it ignores the most significant energy saving opportunities in these buildings.¹²

The July 21 Ruling also identifies as an issue, “3. Whether the Commission should retire and approve certain measures proposed by the IOUs from their 2012-2014 approved measure list.”¹³ CHPC urges the Commission to broaden the framing of this issue to ensure it can consider retiring and/or approving measures proposed by all Parties, not just the IOUs. As noted above, CHPC is urging the Commission specifically to reconsider its exclusion of heating and hot water systems as well as common area and other whole-building energy efficiency measures for the low income multifamily rental sector based on information that has become available

⁸ CHPC, Response, 6-9.

⁹ KEMA, Inc., for the CPUC, “Final Report on Phase 2 Low Income Needs Assessment,” 4-7, 4-28, September 7, 2007, <http://docs.cpuc.ca.gov/published/GRAPHICS/73106.PDF> (accessed July 27, 2011).

¹⁰ and for a MF HERCC Forum, “CA IOU Programs for Low Income Energy Efficiency,” Slide 10, February 10, 2011, <http://www.multifamilygreen.org/wp-content/uploads/2011/02/CA-IOU-MF-Weatherization-Forum.pdf> (accessed July 25, 2011).

¹¹ California Public Utilities Commission, “Decision Providing Direction for Low-Income Energy Efficiency Policy Objectives, Program Goals, Strategic Planning and the 2009-2-11 Program Portfolio and Addressing Renter Access and Assembly Bill 2140 Implementation (D. 07-12-051),” 70-73, January 25, 2007. And CPUC, “Decision on Large Investor-Owned Utilities’ 2009-11 Low Income Energy Efficiency (LIEE) and California Alternate Rates for Energy (CARE) Applications (D. 08-11-31)” 39, May 15, 2008.

¹² Multifamily Subcommittee of the California Home Energy Retrofit Coordinating Committee, “Improving California’s Multifamily Buildings: Opportunities and Recommendations for Green Retrofit and Rehab Programs,” p. 20-21, April 11, 2011, http://www.multifamilygreen.org/wp-content/uploads/2011/02/MF-HERCC_Multifamily-Program-Design_Final_04112022.pdf (accessed June 13, 2011).

¹³ ALJ Kim, July 21, 2011 Ruling, 3.

since the Commission last considered this issue in 2008. While CHPC believes this topic is included within the scope of Issue 6, we would ask that Issue 3 be reframed to make explicit that recommendations from all Parties about measures for retirement or approval for the ESA program shall be considered in this proceeding.

B. INCLUSION OF CHPC’S ISSUES OF CONCERN REGARDING THE NEW CARE AND ESA PROGRAM CYCLES

In the July 21 Ruling, the Administrative Law Judge also directed Parties to examine the list of issues deemed within the scope of the consolidated proceeding and to “make certain all major issues they wish to have considered in the Consolidated Proceeding are added by way of prehearing statements identifying those issues, with clear cross-references to the exact pages in the applications and other filings in the Consolidated Proceeding.” In accord with that directive, CHPC requests that the following issues be deemed within the scope of the consolidated proceeding.

Issues of Concern to CHPC¹⁴	Proposed Alignment to the Preliminary Scope of Issues¹⁵
<ul style="list-style-type: none"> • The inclusion of heating, cooling, and hot water systems as well as common area and other whole-building energy efficiency improvements as ESA program eligible measures for multifamily rental buildings. 6-9 	As noted above, Issue 3 or 6.
<ul style="list-style-type: none"> • ESA program Categorical Eligibility for buildings and units in properties listed on the federal Weatherization Assistance Program’s (WAP) list of eligible properties given the similarity of eligibility standards. 9-10 	As noted above, Issue 6. Alternatively, Issue 15.
<ul style="list-style-type: none"> • Multifamily household expenditure targets similar in process to those established for persons with disabilities. 11 	Issue 3
<ul style="list-style-type: none"> • Examining the apparent prohibition that households served by LIHEAP and WAP are ineligible for ESA program services because it is unnecessarily broad. 11-12 	Issue 14
<ul style="list-style-type: none"> • Establishing a single point of contact for multifamily sector participants to access ESA program resources combined with other IOU energy efficiency resources to maximize leveraging of the programs. 12-13 	Issue 3

¹⁴ The number following each issue is the page number reference in CHPC’s Response, 4-6.

¹⁵ The issue numbers reference the list of issues deemed within the scope of the consolidated proceeding in the July 21 Ruling.

- Expanding ESA program marketing, outreach and education efforts (including establishing a nominal “referral fee”) to focus on multifamily building owners and managers— particularly to those buildings with predicted populations of qualifying households. 13-14 Issue 16
- Restructuring the ESA program bidding process so that it supports best-value (rather than low-cost) bidding. Issue 1
- Ensuring quality work through the use of industry-recognized skill certifications, support of employer investment in training and career pathways, and wage and benefit standards. 15 Issue 16
- Improving access to ESA program jobs for disadvantaged populations in low income multifamily housing. 15-16 Issue 16

In addition to the above, CHPC requests that “A whole building/house approach that identifies the optimal cost-effective package of measures tailored to multifamily buildings’ specific characteristics and needs”¹⁶ be added to the scope of the consolidated proceeding. This is a threshold issue with vital implications for many program elements including cost effectiveness and outreach that necessitates explicit consideration. It is not clear where this issue may fit among the preliminary scope of issues detailed in the July 21 Ruling, so CHPC recommends that an additional item be added to the scope for consideration in the upcoming proceeding.

The Utility Applications reference a “whole house” approach, yet the program design they propose does not comport with a general understanding of “whole house.” As a result, this issue warrants being included in the scope of the proceeding. All of the Utility Applications assert that the current ESA Program uses a “whole house” approach and suggest it will continue to do so.¹⁷ However, the structure and activities of the ESA Program they describe do not

¹⁶ CHPC, Response, 4-6.

¹⁷ See Pacific Gas & Electric, “Testimony in Support of Application for the 2012, 2013, and 2014 Energy Savings Assistance Program and the California Alternate Rates for Energy Program,” 1-1, May 16, 2011. See also, pages 1-7, and 1-37 to 1-38. And, San Diego Gas & Electric, Sandra Williams, “Prepared Direct Testimony of Sandra Williams on Behalf of San Diego Gas & Electric Company’s Energy Savings Assistance Program Plans and Budgets for Program Years, 2012, 2013 and 2014,” SW-9, May 16, 2011. See also page SW-2. And, Southern California Edison, “Testimony of Southern California Edison Company in Support of Its Application for Approval of Its California Alternate Rates for Energy (CARE), Energy Savings Assistance, and Cool Center Programs and Budgets for 2012-2014,” 15, May 16, 2011. And, Southern California Gas, Delia Meraz, “Prepared Direct Testimony of Delia Meraz on Behalf of Southern California Gas Company’s Energy Savings Assistance Program Plans and Budgets for Program Years 2012, 2013 and 2014,” DM-11, May 16, 2011.

conform to the “whole building” approach recommended by the MF HERCC, the Natural Resources Defense Council (NRDC),¹⁸ Institute for Building Efficiency,¹⁹ and the California Energy Commission.²⁰ For example, where a “whole building” approach for larger multifamily buildings should begin with a comprehensive assessment of all of the energy saving opportunities, the Utility Applications do not reference or recommend any means of attempting this assessment and continue to rely on the existing list of prescriptive measures more appropriate to a traditional approach to retrofitting single family housing. In light of the above, CHPC requests that this issue also be deemed within the scope of the consolidated proceeding.

IV. CONCLUSION

CHPC appreciates the opportunity to file this prehearing conference statement and requests that that the Commission issue a final scoping memo and schedule consistent with this filing.

Respectfully submitted,



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¹⁸ <http://www.nrdc.org/buildinggreen/approach/default.asp> (accessed June 16, 2011).

¹⁹ See the Institute for Building Efficiency, <http://www.institutebe.com/Existing-Building-Retrofits/Whole-Building-Retrofits.aspx> (accessed June 17, 2011).

²⁰ See California Energy Commission, “Options for Energy Efficiency in Existing Buildings,” CEC-400-2005-039-CMF, 31-38, December 2005, http://www.fypower.org/pdf/CEC_EEInExist.Bldgs.PDF (accessed June 17, 2011).