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PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

ENERGY DIVISION

ID#3633

RESOLUTION E-3873

July 8, 2004

R E S O L U T I O N

Resolution E-3873. San Diego Gas & Electric Company requests approval of its Low Income Energy Efficiency funding for assistance with Cool Zone Centers.

Request Granted as Modified.

By Advice Letter 1584-E Filed on April 9, 2004.

SUMMARY

This Resolution rejects San Diego Gas & Electric's (SDG&E) request for funding of its Cool Center Program (CC Program) under the Low Income Energy Efficiency (LIEE) Program. However, it approves funding this CC Program under the California Alternate Rate for Energy (CARE) Program, as an outreach expense, to the extent that the Cool Centers would provide CARE information materials on its sites.

BACKGROUND

The County of San Diego has established a network of Cool Zone sites in SDG&E's territory where elderly and disabled citizens can obtain relief from summer heat. The County will be partnering with the Salvation Army and SDG&E to publicize the Cool Zones, provide sufficient hours of operation, provide transportation assistance to Cool Zone sites, and provide electric fans to the homebound elderly and disabled. The County has submitted a proposal to SDG&E requesting funds to support the 2004 Cool Zones and Summer Breeze fan drive. SDG&E would like to continue to support the County's efforts to assist low-income elderly and disabled customers and would like to provide the requested funding for 2004. SDG&E requests authority to fund the Cool Centers with \$55,000.

NOTICE

Notice of AL 1584-E was made by publication in the Commission's Daily Calendar. San Diego Gas & Electric states that a copy of the Advice Letter was mailed and distributed in accordance with Section III-G of General Order 96-A.

PROTESTS

SDG&E's Advice Letter AL 1584-E was timely protested by the Office of Ratepayer Advocates (ORA). The following is a more detailed summary of the major issues raised in the protest.

Even though ORA supports the Cool Center Program, it objects to the funding of this program with LIEE funds. ORA points out that the Commission authorizes energy efficiency measure installations and education based on certain cost-effectiveness analyses using methodologies adopted by the Commission. SDG&E has not provided such analyses, and ORA believes that SDG&E's request in this advice letter would divert LIEE funds and would reduce the amount of tested LIEE measures and activities pursued on behalf of low income customers. ORA would rather the Commission and SDG&E seek other sources of funding such that the LIEE programs installation and activities are not diminished.

DISCUSSION

Energy Division has reviewed this advice letter, protest of ORA and the response to that protest by SDG&E. SDG&E believes that public purpose program (PPP) LIEE funds are an appropriate source for these community programs because the programs provide customers with conservation opportunities, energy education, and reduced hardship. SDG&E does not agree with ORA that the Cool Zone programs are LIEE measures for which cost-effectiveness tests must be required by the Commission. Instead, SDG&E perceives these programs as low-income programs under the LIEE umbrella designed to assist low-income, elderly and disabled customers with energy conservation opportunities and reduce hardships resulting from hot weather.

Energy Division supports the Cool Center program but finds that since the Cool Center Program would provide benefits to those who are not LIEE eligible; it should not qualify for LIEE funds. Energy Division recommends that this program be funded under the CARE Program, as an outreach expense, and

appropriate CARE information and educational materials be provided on these sites.

COMMENTS

"Public Utilities Code section 311(g)(1) provides that this resolution must be served on all parties and subject to at least 30 days public review and comment prior to a vote of the Commission. Section 311(g)(2) provides that this 30-day period may be reduced or waived upon the stipulation of all parties in the proceeding.

The 30-day comment period for the draft of this resolution was neither waived nor reduced. Accordingly, this draft resolution was mailed to parties for comments, and will be placed on the Commission's agenda no earlier than 30 days from today.

FINDINGS

1. In years 2001 and 2002, SDG&E was authorized by the Commission to provide funding to the County for Cool Zone activities from the one-time appropriation of LIEE funding granted by Senate Bill (SB) 5 from the first extraordinary Session of 2001.
2. In July 2003, the Commission rejected SDG&E's request for funding of Cool Center program under LIEE program funds, submitted via advice letter AL 1476-E.
3. Energy Division finds it reasonable that LIEE funds should not be used for Cool Centers since the benefits will be provided to recipients that are not LIEE eligible.
4. Energy Division finds it more appropriate that this program be funded under the CARE Program as outreach to the extent the Cool Centers would provide CARE information and educational materials at these sites.

THEREFORE IT IS ORDERED THAT:

1. The request of the SDG&E to fund the Cool Centers program from LIEE funding is denied. The Commission orders that these Cool Centers be funded

from the CARE Program as an outreach expense. This funding shall not exceed \$55,000.

2. SDG&E shall make a condition of providing this funding to the county of San Diego that CARE applications and outreach Materials be provided at each of the sites.
3. SDG&E shall code these CARE applications and track successful new CARE enrollees resulting from this process and report such enrollment to the Energy Division.
4. Energy Division shall determine the appropriate reporting format and report due dates.
5. SDG&E shall file a supplemental advice letter within 5 days incorporating the changes ordered herein.

This Resolution is effective today.

I certify that the foregoing resolution was duly introduced, passed and adopted at a conference of the Public Utilities Commission of the State of California held on July 8, 2004; the following Commissioners voting favorably thereon:

WILLIAM AHERN
Executive Director