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the Commission's Energy Efficiency) (Filed July 10, 2008)
Strategic Plan)
Joint Application of Pacific Gas and Electric Company (U39E), Southern California Edison Company (U338E), San Diego Gas & Electric Company (U902E), and Southern California Gas Company (U904G) Submitting the California Energy Efficiency Strategic Plan.) A.08-06-004) (Filed June 2, 2008))))))

REPLY COMMENTS OF THE LOCAL GOVERNMENT SUSTAINABLE ENERGY COALITION ON THE DRAFT STRATEGIC ENERGY EFFICIENCY PLAN

JODY S. LONDON
Jody London Consulting
P.O. Box 3629
Oakland, California 94609
Telephone: (510) 459-0667
E-mail: jody_london_consulting@earthlink.net

For THE LOCAL GOVERNMENT SUSTAINABLE ENERGY COALITION

I. Introduction

In accordance with the Rules of Practice and Procedure of the California Public Utilities Commission ("CPUC"), the Local Government Sustainable Energy Coalition ("LGSEC")¹ submits these Reply Comments on the draft *Energy Efficiency Strategic Plan* ("Strategic Plan") circulated by the CPUC on July 14, 2008.

II. Many Parties Agree That A Different Administrative Approach Is Needed to Achieve Energy and Climate Change Goals

Nearly 25 parties submitted opening comments. Many of them agreed with the Local Government Sustainable Energy Coalition that a neutral, third-party entity should be leading the State's efforts around not only energy efficiency, but the broader issues raised by implementation of the Assembly Bill 32, the Global Warming Solutions Act.² While few of these other parties have the focus of the LGSEC on the issues that affect local government, there is broad recognition that the current administrative process will not be sufficient moving forward.

Many of the parties that raise this issue suggest the Northwest Energy Efficiency Alliance as a possible model. The LGSEC concurs that this is a good starting point.

In the interim period towards developing an independent, neutral, statewide entity to oversee sustainability programs, the CPUC should facilitate the development of independent, regional sustainability offices that have, as part of their mission, the development and delivery of energy efficiency programs. The CPUC could use as a starting point interested, existing local government partnerships that have a regional focus, or the California Center for Sustainable

¹ The Local Government Sustainable Energy Coalition includes: the Association of Bay Area Governments, the Association of Monterey Bay Area Governments, the County of Los Angeles, the County of Marin, the City of Santa Monica. Each of these organizations may have different views on elements of these comments, which were approved by the LGSEC's Board.

² See, in particular, comments from the California League of Food Processors, California Center for Sustainable Energy, City and County of San Francisco, City of San Diego, California Municipal Utilities Association, Division of Ratepayer Advocates, Modesto Irrigation District.

Energy in the San Diego region. The key difference, as stated in our opening comments, is the need for these offices to be independent and address issues that include those raised by the implementation of AB 32, which are broader than the purview of the investor-owned utilities. Ultimately these regional organizations will be needed anyway to work collaboratively with a statewide entity in developing and implementing local programs.

III. Process Must Adapt to Accommodate Smaller Stakeholders

Several parties in addition to LGSEC observed that the process for developing the Strategic Plan and participating at the CPUC is resource and time intensive and disadvantages smaller stakeholders.³ The CPUC must work with other state agencies to develop a process that is more easily accessible to all stakeholders, particularly local governments with limited time, staff, and travel budgets. While ensuring the establishment of regional sustainability offices should help, there still is a significant effort required to ensure that every jurisdiction in California understands the State's energy and environmental goals and has a plan for how that jurisdiction will achieve them. These sustainability offices need to offer programs to schools, transit agencies, and other special districts, in addition to cities, towns, and counties, and may want to include these organizations on their governing boards.

Anticipating how the CPUC will adapt its processes to incorporate the directives coming from the Air Resources Board and other state agencies, the LGSEC is assuming that every current energy efficiency proceeding (and other CPUC proceedings related to the California Solar Initiative, combined heat and power, demand response, resource procurement, and others) will be modified to incorporate goals established by AB32 Scoping Plan. The vast number of proceedings at the CPUC alone speaks to the need for a different method for smaller

³ See, for example, comments of Modesto Irrigation District, California Municipal Utilities Association, Greenlining Institute.

stakeholders to provide input. Staffing even one of these issue areas at the CPUC is the work of at least one, if not more, people for any organization, public or private. Local governments simply do not have the staff or travel budget to do this.

In order to get smaller agencies engaged in this process, as discussed above the CPUC should facilitate the development of independent, regional sustainability offices so these smaller entities can join and leverage combined resources. Even when resources are pooled or regional sustainability offices are formed, it will not be possible to participate in multiple proceedings at multiple agencies. There must be a central, organizing spot where stakeholders can provide input on a range of related issues.

IV. Funding Beyond the Public Goods Charge Is Required

Parties including the utilities⁴ also agreed with LGSEC that utility ratepayers alone will not be able to fund the massive efforts that will be required to meet the State's energy and environmental goals. This again speaks to the need to identify an independent, neutral entity that has a sustainability mandate that includes energy efficiency. The many stakeholders to the energy efficiency world, including the utilities, will support this entity and help it achieve its goals.

V. Evaluation of Rate Design is Important

The LGSEC agrees with the City of San Diego and others⁵ that the CPUC should examine rate design statewide and identify where rate design is unintentionally serving as a deterrent to various energy management strategies, including energy efficiency.

⁴ See, for example, comments of Joint Utilities, California Center for Sustainable Energy.

⁵ See, for example, comments of Ice Energy, National Association of Energy Service Companies, California Attorney General, California Center for Sustainable Energy.

III. CONCLUSION

The final Energy Efficiency Strategic Plan should recognize that a different administrative approach will be required moving forward that addresses the range of issues encompassed in AB 32 implementation, including energy efficiency. As an interim step, the CPUC should facilitate the development of regional sustainability offices. The process moving forward for implementing both energy efficiency and climate policies should be modified to accommodate smaller stakeholders. In particular, the CPUC should work with sister agencies to identify a central, neutral clearinghouse for coordinating these efforts. Funding beyond the public good charge will be required for this work. Finally, the CPUC should examine rate design policies to ensure that rate design is consistent statewide and is not inadvertently deterring customers from pursuing energy efficiency of renewable distributed generation.

Dated: August 7, 2008 Respectfully submitted,

y: Jody Inde

Jody S. London

Jody London Consulting P.O. Box 3629 Oakland, California 94609 Telephone: (510) 459-0667

E-mail: jody london consulting@earthlink.net

For THE LOCAL GOVERNMENT SUSTAINABLE ENERGY COALITION

CERTIFICATE OF SERVICE

I, Jody London, certify that I have, on this date, served a copy of "Reply Comments Of The Local Government Sustainable Energy Coalition On Draft Energy Efficiency Strategic Plan" on all known parties to R.08-07-011/A.08-06-004 by transmitting an e-mail message with the document attached to each party named in the official service list, and by serving a hard copy on the Administrative Law Judge.

I declare under penalty of perjury, pursuant to the laws of the State of California, that the foregoing is true and correct.

Dated August 7, 2008 in Oakland, California.

Jody Janden

Jody London

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sesco@optonline.net mmoore@newportpartnersllc.com keith.mccrea@sablaw.com donaldgilligan@comcast.net mharrigan@ase.org jimross@r-c-s-inc.com gtropsa@ice-energy.com info@architecture2030.org keith.layton@swgas.com valerie.ontiveroz@swgas.com ckmitchell1@sbcglobal.net mthorp@sempra.com spatrick@sempra.com alexsot@aol.com dmahmud@mwdh2o.com socal.forum@yahoo.com michele@sbesc.com richvilla4@hotmail.com s.evans@ihaci.org pwuebben@aqmd.gov larry.cope@sce.com montoym1@sce.com stacie.schaffer@sce.com kswitzer@gswater.com rkmoore@gswater.com dwood8@cox.net bpatton_rancho@sbcglobal.net cfpena@sempra.com gbaker@sempra.com

khassan@sempra.com mcalabrese@sandiego.gov liddell@energyattorney.com andrew.mcallister@energycenter.org ralf1241a@cs.com jennifer.porter@energycenter.org

sephra.ninow@energycenter.org

mlewis@ctg-net.com

judi.schweitzer@post.harvard.edu

thunt@cecmail.org wilkinson@es.ucsb.edu pcanessa@charter.net eadams.assert@verizon.net sundnr2@sbcglobal.net abrice@rhainc.com

pk@utilitycostmanagement.com

jmann@pmelaw.com jmann@pmelaw.com JeffreyH@hellermanus.com RemiT@hellermanus.com gredican@caasm.org wparker@baprc.com hayley@turn.org hayley@turn.org

jeanne.sole@sfgov.org marcel@turn.org dil@cpuc.ca.gov rhd@cpuc.ca.gov

stephen.morrison@sfgov.org matt@sustainablespaces.com

achang@nrdc.org rsa@a-klaw.com cjn3@pge.com dfc2@pge.com saw0@pge.com enriqueg@lif.org jsqueri@gmssr.com

mday@goodinmacbride.com edwardoneill@dwt.com

irene@igc.org ssmyers@att.net jak@gepllc.com jerryl@abag.ca.gov rknight@bki.com

george@housiasystem.com

jody london consulting@earthlink.net jody london consulting@earthlink.net hoerner@redefiningprogress.org swentworth@oaklandnet.com samuelk@greenlining.org samuelk@greenlining.org pucservice@dralegal.org pucservice@dralegal.org john@proctoreng.com pmschwartz@sbcglobal.net tim@marinemt.org

sebesq@comcast.net

wem@igc.org

hryan@smallbusinesscalifornia.org

anginc@goldrush.com bill@jbsenergy.com jweil@aglet.org elee@davisenergy.com

billjulian@sbcglobal.net carolyncox2@sbcglobal.net

mike@calcerts.com tcrooks@mcr-group.com glw@eslawfirm.com chris@cuwcc.org wynne@braunlegal.com mboccadoro@dolphingroup.org

blaising@braunlegal.com russ.king@acca.org Imh@eslawfirm.com kristac@acwa.com ljimene@smud.org hodgesjl@surewest.net

cscruton@energy.state.ca.us

kmills@cfbf.com bburt@macnexus.org Iperez@cresource.org

westgas@aol.com

jparks@smud.org cristalfour@aol.com js@clearedgepower.com michelle.mishoe@pacificorp.com ryan.flynn@pacificorp.com tom@ucons.com higgins@newbuildings.org gandhi.nikhil@verizon.net ameliag@ensave.com Clark.Pierce@us.landisgyr.com eosann@starpower.net jthorneamann@aceee.org snadel@aceee.org Glenn.hourahan@acca.org staples@staplesmarketing.com mking@staplesmarketing.com nphall@tecmarket.net gstaples@mendotagroup.net annette.beitel@gmail.com rmcmahill@currentgroup.com jmeyers@naima.org pjacobs@buildingmetrics.biz mmcguire@summitblue.com pkuhlman@ice-energy.com bobbi.sterrett@swgas.com emello@sppc.com David.Pettijohn@ladwp.com tblair@mwdh2o.com bmcdonnell@mwdh2o.com kwong@semprautilities.com nhernandez@isd.co.la.ca.us david@nemtzow.com susan.munves@smgov.net brad.bergman@intergycorp.com southlandreports@earthlink.net cdamore@icfi.com dpape@icfi.com sculbertson@icfi.com thamilton@icfi.com Case.Admin@sce.com don.arambula@sce.com Jennifer.Shigekawa@sce.com Laura.Genao@sce.com tory.weber@sce.com rsperberg@onsitenergy.com dan@energysmarthomes.net jlaun@apogee.net apyle@sandiego.gov ashley.watkins@energycenter.org centralfiles@semprautilities.com

jyamagata@semprautilities.com robert.gilleskie@energycenter.org elee@sandiego.gov tblair@sandiego.gov bob.ramirez@itron.com rachel.harcharik@itron.com david.gordon@efm-solutions.com kjk@kjkammerer.com cneedham@edisonmission.com TFlanigan@EcoMotion.us sthompson@ci.irvine.ca.us sbarata@opiniondynamics.com dale@betterbuildings.com mlong@anaheim.net cheryl.collart@ventura.org Jeff.Hirsch@DOE2.com hhuerta@rhainc.com atencate@rsgrp.com Icasentini@rsgrp.com jcelona@sbcglobal.net ann.kelly@sfgov.org abesa@semprautilities.com wblattner@semprautilities.com pvillegas@semprautilities.com tburke@sfwater.org norman.furuta@navy.mil bcarver@nrdc.org eric@ethree.com gchang1@bloomberg.net kgrenfell@nrdc.org lettenson@nrdc.org andrew meiman@newcomb.cc andy.goett@paconsulting.com ann_mccormick@newcomb.cc cbaskette@enernoc.com efm2@pge.com j5b2@pge.com yxg4@pge.com John_Newcomb@newcomb.cc lhj2@pge.com matt_sullivan@newcomb.cc rbm4@pge.com slda@pge.com SRRd@pge.com tmfry@nexant.com WKR4@pge.com rekl@pge.com rreinhard@mofo.com steven@moss.net epoole@adplaw.com

CEM@newsdata.com Cassandra.sweet@dowjones.com jwiedman@goodinmacbride.com sbuchwalter@icfi.com policy.solutions@comcast.net jimflanagan4@mac.com cem@newsdata.com lisa weinzimer@platts.com sellis@fypower.org wmcguire@fypower.org bkc7@pge.com regrelcpuccases@pge.com jkz1@pge.com jwwd@pge.com wcm2@pge.com regrelcpuccases@pge.com hxag@pge.com rafi@pge.com epetrill@epri.com andrew.wood3@honeywell.com Mary@EquipoiseConsulting.com tlmurray@earthlink.net ghamilton@gepllc.com mistib@comcast.net ashish.goel@intergycorp.com grant.cooke@intergycorp.com jay.bhalla@intergycorp.com rfox@intergycorp.com Patricia.R.Thompson@gmail.com sbeserra@sbcglobal.net wbooth@booth-law.com michael.cheng@paconsulting.com alex.kang@itron.com Ann.Peterson@itron.com fred.coito@kema.com jennifer.fagan@itron.com itiffany@ase.org john.cavalli@itron.com kathleen.gaffney@kema.com karl.brown@ucop.edu mrw@mrwassoc.com mrw@mrwassoc.com Bruce@BuildItGreen.org p.miller@earthlink.net jesser@greenlining.org robertg@greenlining.org stevek@kromer.com craigtyler@comcast.net elvine@lbl.gov mwbeck@lbl.gov

darmanino@co.marin.ca.us

jcluboff@lmi.net

rita@ritanortonconsulting.com cpechman@powereconomics.com

gthomas@ecoact.org

emahlon@ecoact.org sobrien@mccarthylaw.com barry.hooper@sanjoseca.gov mary.tucker@sanjoseca.gov

NancyKRod@conSol.ws

Rob@ConSol.ws

stephanie.borba@mascocs.com

bobho@mid.org joyw@mid.org tomk@mid.org

gsenergy@sonoma-county.org brbarkovich@earthlink.net tconlon@geopraxis.com bmfinkelor@ucdavis.edu rmccann@umich.edu mbhunt@ucdavis.edu mpmadera@ucdavis.edu dmahone@h-m-g.com

kenneth.swain@navigantconsulting.com@cpuc.ca.gov

kdusel@navigantconsulting.com lpark@navigantconsulting.com david.reynolds@ncpa.com scott.tomashefsky@ncpa.com

cmkehrein@ems-ca.com jjg@eslawfirm.com

asloan@rs-e.com mclaughlin@braunlegal.com

braun@braunlegal.com Corlando@energy.state.ca.us dgeis@dolphingroup.org

ehebert@energy.state.ca.us jcastleberry@rs-e.com klewis@energy.state.ca.us

katie@cuwcc.org mharcos@rs-e.com

rsapudar@energy.state.ca.us

bernardo@braunlegal.com pstoner@lgc.org wwester@smud.org vwood@smud.org

rob@clfp.com

sjameslehtonen@yahoo.com

karen@klindh.com rmowris@earthlink.net

hgilpeach@scanamerica.net

paul.notti@honeywell.com brian.hedman@quantecllc.com Sami.Khawaja@quantecllc.com

janep@researchintoaction.com

samsirkin@cs.com

mbaker@sbwconsulting.com

jholmes@emi1.com jbazemore@emi1.com john@enactenergy.com

ppl@cpuc.ca.gov
atr@cpuc.ca.gov
aeo@cpuc.ca.gov
cf1@cpuc.ca.gov
cxc@cpuc.ca.gov
tam@cpuc.ca.gov
crv@cpuc.ca.gov
dmg@cpuc.ca.gov
dhn@cpuc.ca.gov
trh@cpuc.ca.gov
flc@cpuc.ca.gov
jlc@cpuc.ca.gov
jlf@cpuc.ca.gov
jl2@cpuc.ca.gov
ist@cpuc.ca.gov

jst@cpuc.ca.gov jws@cpuc.ca.gov jci@cpuc.ca.gov kwz@cpuc.ca.gov keh@cpuc.ca.gov lp1@cpuc.ca.gov mwt@cpuc.ca.gov mc3@cpuc.ca.gov mmw@cpuc.ca.gov mkh@cpuc.ca.gov pw1@cpuc.ca.gov srt@cpuc.ca.gov snr@cpuc.ca.gov smw@cpuc.ca.gov tcr@cpuc.ca.gov zap@cpuc.ca.gov

ztc@cpuc.ca.gov awp@cpuc.ca.gov bvalenci@energy.state.ca.us crogers@energy.state.ca.us

dbeck@energy.state.ca.us

dks@cpuc.ca.gov

agarcia@energy.state.ca.us msherida@energy.state.ca.us sbender@energy.state.ca.us

zca@cpuc.ca.gov