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ORA Project Mgr. : Colbert
: Alice Glasner



**OFFICE OF RATEPAYER ADVOCATES
CALIFORNIA PUBLIC UTILITIES COMMISSION**

**REBUTTAL REPORT OF
THE DIVISION OF RATEPAYER ADVOCATES
ON THE CONSOLIDATED PROCEEDINGS
REGARDING
ENERGY SAVING ASSISTANCE
PROGRAM (ESAP) AND
CALIFORNIA ALTERNATIVE RATES
FOR ENERGY (CARE)**

San Francisco, California
May 22, 2015

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ATTACHMENTS

1 **CHAPTER 1 - REPEAT SERVICE OF SHORT-LIVED**
2 **MEASURES SHOULD NOT BE THE BASIS**
3 **FOR REPEATING ESA SERVICE**

4 **(Witness: Karen Camille Watts-Zagha and Alexander Cole)**

5
6 The PG&E and SoCalGas propose repeating service to ESA dwellings. It is
7 premature to authorize ESA for previously serviced dwellings without a strategy in place
8 for the next phase of ESA. The ESA program design should first be better developed to
9 target specific customer segments, such as multifamily dwellings, renters, or certain
10 geographic areas. Additionally, proposed new energy savings measures should be
11 incorporated into ESA prior to returning to households.

12 TURN,¹EEC,²TELACU all support the PG&E and SoCalGas requests to repeat
13 service to ESA dwellings. They present several reasons for this support, as outlined
14 clearly by EEC. Specifically, they mention there is a drought and more attention to water
15 savings is merited; many ESA measures installed between 2002 – 2006 are likely beyond
16 their Estimated Useful Life;³new measures have been introduced since 2002 and some
17 ESA households did not receive these new or improved measures if they were not in the
18 program. Notwithstanding these conditions, ORA shows that repeat ESA, in its current
19 form, is not the solution to these problems.

20 Regarding water savings measures, the ESA program would ideally be addressing
21 water savings education in conjunction with the customer’s water agency. There would
22 be several reasons to work together with the water utility, such as more consistent
23 messaging and sharing funding with water utility. To the extent this approach takes time,
24 and water conservation cannot wait, it seems appropriate to include the utilities’ proposed

¹ The Utility Reform Network (TURN) Testimony of Cynthia Mitchell, pp. 20-21.

² Energy Efficiency Council (EEC) Testimony 4/27/2015, pp. 3-4.

³ TURN also produces the weighted average Estimated Useful Life of ESA measures and concludes that some households are likely without current and effective installations, TURN Testimony of Cynthia Mitchell, p. 20.

1 water measures in future ESA service, but not to justify repeat service based on water
2 measures. PG&E proposes such coordination as a pilot, but provides no timeline as to
3 when this will occur.⁴ PG&E includes “identifying water agencies in our service
4 territory” as part of the pilot activity; it seems PG&E should already know this
5 information without a pilot.

6 **I. BASED ON THE MEASURES LIKELY TO BE**
7 **REINSTALLED, A DIFFERENT PROGRAM DESIGN IS**
8 **MERITED**

9 The second reason given to commence repeat ESA service is the expiration of the
10 “useful life” of some ESA energy savings measures. The short-lived, widely applicable
11 measures are lighting, hot water conservation (faucet aerators, low flow showerheads,
12 water heater blankets) and envelope and air sealing.⁵ Lighting and hot water
13 conservation are among the most cost-effective measures generating reliable energy
14 savings. While there are likely benefits to update these measures for households, the
15 current program design is too costly to deliver “simple” measures such as these programs.
16 Current program design assumes high up-front costs to reach a household and a
17 comprehensive assessment while there. Reaching these repeat homes for this subset of
18 measures should be data driven (from utility recordkeeping of the previous visit) and also
19 driven by whether they lower cost. The installation of these measures, with the exception
20 of the water heater blanket, should be relatively straightforward. While it may make
21 sense to deliver these items to previously treated household, it would not make sense
22 under the current program design.

23 Refrigerators are a high impact savings measure for which some homes treated
24 more than ten years ago may now qualify for new ones, but a repeat of ESA service is not
25 necessary to replace these specific items. Utilities should use tracking data from the prior
26 visit to determine when to replace the refrigerator. Once eligibility for replacement is

⁴ PG&E Testimony p. 2-8 and 2-9.

⁵ See rankings of Estimated Useful Lives (EUC) of measures by utility in Utility 2014 ESA Annual Reports, Table 9, sorted by EUL in appendix.

1 determined, the installation could be separately scheduled. The refrigerator contractor is
2 usually a specialty contractor. ESA II is not necessary to identify or replace refrigerators.

3 **II. ENVELOPE AND AIR SEALING SHOULD NOT BE THE**
4 **BASIS FOR REPEATING FULL SERVICE ESA FOR**
5 **PREVIOUSLY TREATED HOMES**

6 Depending on the utility, envelope and air sealing has an estimated useful life of
7 between 5 – 11 years. ESA should not be repeated to renew this measure. It provides
8 little value to the participant and to society.

9 Using data from a LIPPT model for 2016 provided by PG&E, ORA calculated the
10 Costs and Benefits of PG&E’s proposed spending on this program. The results are
11 presented in Table 1, below. Similar tables could be constructed for the other three
12 utilities’ air sealing program.

13 Summarizing the table, PG&E proposes to treat 61,297 homes (A) with air-sealing
14 in 2016 at an average per unit cost of \$449 (B). This means that the total budget for
15 air-sealing, not including administrative costs, will be \$28,561,259 (C), or nearly 30
16 percent of the \$100 million PG&E’s total measures budget. This expenditure is expected
17 to return \$2,321,768 (D) in total bill savings to customers over the 7 year expected useful
18 life of the program, or about *9 cents for every dollar spent*. Current ESA conventions
19 also account for Non-Energy Benefits (NEBS) such as health, safety and comfort and if
20 one includes these benefits, PG&E estimates \$8,604,637 in NEBS, raising the benefits of
21 the program to \$11,147,652 (E), or about 39 cents on the dollar. However, digging
22 deeper, one finds that most of these NEBS, \$8,074,467, consist of hypothetical increase
23 to the homeowner’s property value (F). It is not clear that the ESA program’s goal is to
24 increase property values. However, given that most low income residents do not own
25 their homes and would not realize this benefit except when selling their home, the value
26 of this benefit to program participants is minimal. If we look at the expected bill savings
27 to customers and compare this to the total investment in air-sealing, we find that PG&E’s
28 2016 air-sealing program will lose \$25,507,527 in ratepayer money compared to simply
29 handing the programs’ budget as cash to participants.

1 Given this poor expected rate-of-return on air-sealing ORA recommends that
 2 PG&E be ordered to restructure this program and scale back the program so that only
 3 homes in extreme climates or with extreme needs are treated, before any repeat visit to
 4 homes can be authorized.

Table 1: PG&E Proposed Budget for Air-Sealing (2016)

A	Number of Measures Installed	\$ 61, 297 Units
B	Incremental Cost per Measure	\$ 449 / Unit
C	Total Proposed Spend on Air Sealing	\$ 28,561,259
D	Bill Savings	\$ 2,321,768 (0. 09)
E	Non-Energy Benefits	\$ 8,604,637 (0. 30)
F	Increased Property Value NEB	\$ 8,074,467 (0. 28)
G	Benefits/Cost (including only non-property value NEBS)	\$ 3,053,731 (0. 11)
H	Total Benefits-Less Cost (excluding NEBS)	(\$25,507,527)

5 **III. REPEAT ESA SHOULD BE POSTPONED UNTIL AN**
 6 **APPROPRIATE PROGRAM DESIGN IS DEVELOPED**

7 Because there are 1,187,381 households who haven't received ESA the first time,⁶
 8 ORA recommends the utilities first complete this service. While this is happening, the
 9 utilities can better develop the right solution to servicing households the second time.
 10 Just as TELACU⁷ points out in testimony, there was no indication that ESA 2020 would
 11 be the end of ESA. ⁸ Nor is there any suggestion that ESA 2020 should continue at the
 12 same pace and spending levels beyond that cycle.

⁶ PG&E p. 1-1, SCE p. 21, SoCalGas p. 14, SDG&E p. 7.

⁷ The East Los Angeles Community Union.

⁸ TELACU et Al. Testimony, p. 14.

1 **CHAPTER 2 - THE COMMISSION SHOULD DETERMINE A**
2 **METHOD FOR INCORPORATING NEW MEASURES INTO ESA**

3 **(Witness: Karen Camille Watts-Zagha)**

4
5 Many measures have been introduced by individual utilities or other parties
6 for inclusion into ESA. The logical process is to first determine which measures
7 should be incorporated into the next phase of ESA, then return to homes. There
8 are a few models for assessing measures, such as working groups and workpaper
9 review by the Energy Division. This process should be prioritized in order to
10 avoid missed opportunities for energy savings.

11 In the current utility applications, there are a variety of measures proposed.
12 Only SoCalGas⁹ and SDG&E¹⁰ proposed the tub spout diverter, and only SDG&E
13 proposes the Tier 2 Smart Strip. PG&E proposes mostly installing CFLs while the
14 other electric utilities switch to LEDs. Only SoCalGas proposes including High
15 Efficiency furnaces. Additionally, MCE is proposing to include heat pumps in their
16 multifamily pilot, and NCLC/NRDC/CHPC recommends the Commission review the
17 following measures for inclusion in ESA:

- 18 • package terminal air conditioners,
19 • package terminal heat pumps,
20 • ceiling fans (ENERGY STAR® Qualified),
21 • refrigerant charge verification,
22 • bathroom exhaust fans (ENERGY STAR® Qualified),
23 • bathroom fan controls,
24 • window films,
25 • tub diverters,
26 • LED lighting

27
28 Returning to ESA dwellings before these measures are conclusively
29 addressed would create missed opportunities in the future. The prudent course is

⁹ Southern California Gas Company.

¹⁰ San Diego Gas & Electric Company.

- 1 to strategically define the next phase of ESA, and include measures that capture
- 2 more savings opportunities.

1 **CHAPTER 3 - SEPARATE MULTIFAMILY TRACK**
2 **SHOULD BE ESTABLISHED**

3 **(Witness: Karen Camille Watts-Zagha)**

4
5 National Consumer Law Center (NCLC), National Resource Defense
6 Council and California Housing Partnership Corporation (CHPC) (collectively
7 referred to as NCLC/NRDC/CHPC) propose creating an ESA Multifamily sub-
8 program that incorporates the best practices nationwide from low income
9 multifamily retrofits. ¹¹ NCLC/NRDC/CHPC presents several options for
10 accomplishing a multifamily track. The preferred option is a stand-alone
11 multifamily program within ESA. This stand-alone program would need to
12 include elements not currently in ESA, such as development of a comprehensive
13 work scope based on energy audits, extended timelines to address the whole
14 building, as well as incentive structures that allow costs to be funded from a
15 variety of sources, including owner contributions as well as financing. ¹²

16 NCLC/NRDC/CHPC presents testimony that this program design has
17 successfully delivered energy and cost savings in other jurisdictions. Based on
18 results from several recent California multifamily pilots, ORA agrees that a
19 comprehensive multifamily strategy beyond what is proposed in the utility
20 applications is appropriate. This comprehensive strategy includes a single-point-
21 of-contact, investment grade audits, and addressing individual dwelling units
22 within a building as well as building common areas such as lobbies, hallways,
23 parking areas, and laundry rooms. Below, ORA presents these outcomes to
24 further support the NCLC/NRDC/CHPC recommendations.

25

¹¹ NCLC/NHLP/CHPC Prepared Testimony, pp. MS-17 - MS-18.

¹² NCLC/NHLP/CHPC Prepared Testimony, pp. MS-26 - MS-27.

1 **I. POSITIVE SAVINGS OUTCOMES REPORTED FROM**
2 **THE BAY AREA MULTIFAMILY (BAM) FUND**
3 **PILOTS LEND CONFIDENCE TO ENERGY AND**
4 **COST SAVINGS FROM COMPREHENSIVE**
5 **MULTIFAMILY RETROFITS**

6 With the infusion of funding from the American Recovery and
7 Reinvestment Act (ARRA), several comprehensive multi-family pilot projects in
8 California were launched in 2009 -2011. These pilots tested aspects of the
9 comprehensive multifamily program that NCLC/NRDC/CHPC recommends.
10 These projects have produced energy and bill savings outcomes. These pilots
11 answered questions such as:

- 12 • Can ‘one-stop’ shopping harness resources from multiple funding
13 streams to deliver greater benefits to multi-family building
14 occupants?
- 15 • Can households be enrolled in a streamlined way that eliminates
16 the need to go door-to-door to qualify individual dwellings?
- 17 • What types of potential energy and bill savings, if any, are being
18 missed by the status quo ESAP service in multi-family
19 dwellings?

20
21 These elements are all recommended by the NRDC/NCLC/CHPC witness.

22
23 The Bay Area Multi-family Fund (BAM Fund) offered technical assistance,
24 investment grade energy audits, and combining of multiple funding sources. The
25 property owner, rather than occupants of the dwelling units, was considered the
26 customer. The program started by identifying 29 affordable housing properties,
27 eighteen of which received investment grade audits¹³ to assess energy and water

¹³ An investment grade audit is a full inspection and review of the property to identify energy, water and cost savings opportunities. This was an important feature of the BAM Fund program as excerpted here from the May 11, 2012 ARRA SEP Final Report available on the California Energy Commission website at http://www.energy.ca.gov/ab758/documents/ARRA-Programs/final_reports/ “Program administrators required that program applicants have an energy audit conducted in accordance with the Energy Audit Protocol (see Exhibit C) developed by Enterprise and LIIF. This protocol was written so that it could be used by loan underwriters to determine if energy and water conservation measures could be put in place to save enough money
(continued on next page)

1 savings opportunities. Ultimately, six properties made improvements utilizing
2 financing to conduct the projects.

3 One important finding from these projects is that the predicted savings
4 materialized. The BAM fund has carefully tracked the savings results, both
5 energy and water savings as well as cost savings, from these properties in order to
6 determine how the changes in utility bills affects the owner’s ability to offset the
7 loan repayment amounts. This project was important to track because loan
8 repayment is premised on the ability of projects to achieve projected savings, and
9 therefore is a critical feature to develop confidence for on-bill repayment
10 programs.¹⁴ This gives insight into project outcomes, and particularly into bill
11 impacts from the project.

12 Savings were not accurately predicted in each building or by each fuel type,
13 but over the six projects, cost savings of 13% were realized. At this point, only
14 one-year of post-retrofit data is available. A second year of post-retrofit results
15 will be available Friday, May 29, 2015. Across the six properties with loans, a
16 13% bill savings was expected and was achieved after the first year-post retrofit.
17 Cost savings are comprised of 1% electric savings, 30% gas savings, and 12%
18 water usage savings.¹⁵

19
20

(continued from previous page)

to pay for debt service that finances all, or some portion of, the improvements. It was imperative that the audit be of investment grade caliber, which meant that its data and analysis were deemed sufficiently reliable to take on the risk of lending money to the project. In addition to identifying ways to save energy and water, the audit also required an evaluation of the integrity of the building to identify any deficiencies that could result in health and safety hazards to tenants, code violations, and/or deterioration of major building systems that jeopardize the long term viability of the building over a minimum ten year horizon. ”

¹⁴ *Program Transparency and Reporting statement*, p. 1, contained in Proposal 8 San Francisco Mayor’s Office of Housing Proposal Documents, Volume 2, Attachments, LIIF SF Energy Analysis 12-2-2009, available at www.energy.ca.gov/recovery/awards/RFP-400-09-403_Final_Proposals/index.php.

¹⁵ Enterprise Community Partners BAM Multifamily Fund Final Report 2014, p. 4.

1 **San Francisco's Mayor Office of Housing, Green Retrofit Initiative** ¹⁶

2	Number of properties:	15/26 buildings
3	Number of units:	1,300
4	Total Funds for Owner-Incentives:	\$4 million plus leveraged funds
5	Retrofits to be completed by:	March 31, 2012
6	1 year of Performance Data Available:	March 31, 2013
7	Affordable housing properties:	Operated by five non-profit
8		affordable housing developers:
9		Satellite Housing, East Bay Asian
10		Local Development Corporation,
11		Community Housing Partners,
12		Tenderloin Neighborhood
13		Development Corporation,
14		Resources for Community
15		Development
16	Landlord or tenant bill payer:	Majority master-metered

17
18 A second Multifamily Pilot project financed with American Recovery and
19 Reinvestment Act (ARRA) funds was operated by the Sacramento Municipal Utility
20 District (SMUD). This program was part of SMUD's Home Performance Program
21 for Multifamily (HPP-MF) and the evaluation was conducted for projects completed
22 in 2013 and 2014. The program addressed electric usage and provided both in-unit
23 and common area electric savings measures. An evaluation was conducted and
24 completed by December 2014. The evaluation contained both a verification of the
25 energy savings modeling conducted during the building assessments and a billing
26 analysis. The billing analysis cannot be relied upon because the program did not
27 track the date that projects were completed, which prevented the billing analysis
28 from accurately matching pre-retrofit usage with post-retrofit usage. However, the

¹⁶ Presentations entitled [Background Workshop 4 Whole Building Case Studies Summary](#) available at: www.liob.org/docs/Workshop%204%20Coordinating%20energy%20programs%20SMUD%20HPP-MF.pdf, downloaded October 21, 2011. Also see; www.enterprisecommunity.org/local_work/northern_california/green_retrofit.asp.

1 verification of the energy modeling software provided a 0.92 verification rate,
2 indicating that savings were premised on accurate conditions input into the
3 modeling software.¹⁷ The program retrofitted 27 buildings and produced an
4 average electric savings per unit of 1,730 kWh, which is extremely high for
5 multifamily retrofits. The program was not cost-effective, but demand for the
6 program continues to exceed available funds, so the program has been successful in
7 developing the market. These various multi-family projects largely proved the need
8 to invest more ESA funding in multi-family projects.¹⁸

¹⁷ For more information on energy modeling verification, see SMUD Home Performance Program Multifamily Evaluation Report, December 30, 2014.

¹⁸ SMUD Home Performance Program Multifamily Evaluation Report, December 30, 2014 and Bay Area Multi-family Fund Performance Report, Enterprise, May 1, 2014

1 **CHAPTER 4 - MARIN CLEAN ENERGY PILOTS HAVE**
2 **POTENTIAL IF RIGOROUS ANALYSIS**
3 **IS CONDUCTED**

4 **(Witness: Karen Camille Watts-Zagha)**

5 **I. WITH MODIFICATION TO THE ELIGIBILITY PORTION**
6 **OF THE PROPOSAL, THE MCE MULTIFAMILY PILOT**
7 **HAS MERIT**

8 MCE proposes a pilot which expands access of its current Multifamily
9 offering to low income properties. The MCE pilot will assist low income
10 multifamily property owners in accessing a variety of Energy Efficiency programs
11 and funding sources, including financing for a projected 15 properties. The MCE
12 multifamily pilot will also include an owner contribution. In addition, the MCE
13 pilot will pay up to \$1,200 per unit, beyond what the other EE programs offer to
14 make the program accessible to low income buildings. The total average cost per
15 unit, including administrative cost, is estimated to be \$1,526 per unit. This is
16 comparable to each of the IOU ESA program costs, which range from \$1,100 for
17 the single-fuel utilities to \$1,500 and \$1,700 for the dual fuel utilities.¹⁹ Because
18 the cost and savings outcomes are roughly equivalent to the IOU ESA programs,
19 this is a good opportunity to try the MCE approach to multifamily dwellings. This
20 approach is consistent with NCLC/NRDC/CHPC’s recommendation to utilize an
21 “adder” for ESA multifamily, which is simply adding additional funding onto
22 regular, non-low-income EE multifamily offerings. ORA supports a more
23 comprehensive service for multifamily buildings, and the adder is one method of
24 allowing low income buildings to access all the measures offered through “core”
25 EE programs.

26

¹⁹ See ORA Opening Testimony, Figures 6, 8, 10, 13.

MULTI FAMILY PILOT²⁰

	<u>2016-2017</u>
Admin Cost, including customer enrollment (\$ in millions)	\$489,000
Measures Cost (\$ in millions)	\$3,281,358
Households Serviced	2,470
Cost per household	\$1,526
kWh saved	568,105
kWh saved per household	230
Cost to save a kWh	Not Calculated
Therms saved	27,170
Therms saved per household	11
Cost to save a therm	Not Calculated
Cost effectiveness	Not calculated

II. MCE SHOULD BE REQUIRED TO SPECIFY ELIGIBILITY STANDARD AND METHOD OF PROXY BEFORE IMPLEMENTING PILOT

MCE intends to expand the current ESA eligibility standard in its multifamily pilot in order to capture buildings that may be needy by a different standard. MCE is not specific about what the eligibility standard will be other than indicating it may be based on the Cal Enviro screen definition, Single Family

²⁰ ORA analysis of Tables 3-8, pp. 12-13, MCE Opening Testimony of April 27, 2015.

1 Affordable Solar Homes (SASH) program and Multifamily Affordable Solar
2 Housing (MASH) definitions, or others. The Commission should require MCE to
3 specify the standard and provide an opportunity for party review before going
4 forward, as determining the pool of eligible buildings will affect program targeting
5 and design.

6 Furthermore, MCE proposes eliminating documentation for eligibility and
7 utilizing proxy analysis instead, after the completion of the retrofit. MCE states
8 this will test whether the eligibility documentation is a significant barrier to
9 program participation, and whether this barrier can be overcome by alternate
10 methods. This approach has been effectively implemented by SDG&E and
11 SoCalGas, which employ a proxy to eligibility documentation for over half the
12 ESA households treated. While MCE's approach may be consistent with the
13 approach of SDG&E and SoCalGas, it should be required to specify the proxy that
14 will be employed as SDG&E and SoCalGas have been required to provide.

15 **III. MCE SINGLE FAMILY PILOT REQUIRES ADDITIONAL**
16 **DEVELOPMENT**

17 MCE proposes to pilot an online behavioral savings tool for low income
18 single-family households. MCE intends to employ an experimental design
19 evaluation for this pilot. However, the cost of \$2,821 per home is significant for
20 the expected savings of 79 kWh and 8 therms.

21 The issue of whether to assign energy savings to behavioral tools is
22 currently an open issue in this proceeding. Specifically, SDG&E is proposing an
23 online behavioral savings tool but not proposing to count savings; PG&E is
24 proposing to count savings for the traditional ESA Energy Education program.
25 The MCE pilot experimental design may be able to test certain savings
26 assumptions. However due to the lack of detail provided, the pilot would benefit
27 from a workshop to clarify the program details.

28

1

SINGLE FAMILY PILOT²¹

2

	<u>2016-2017</u>
Admin Cost, including customer enrollment (\$ in millions)	\$245,300
Measures Cost (\$ in millions)	\$ 601,024
Households Serviced	300
Cost per household	\$2,821
kWh saved	23,831
kWh saved per household	79
Cost to save a kWh	Not Calculated
Therms saved	2,371
Therms saved per household	8
Cost to save a therm	Not Calculated
Cost effectiveness	Not Calculated

3

²¹ ORA analysis of Tables 3-8, pp. 12-13, MCE Opening Testimony of April 27, 2015.

1 **CHAPTER 5 -THE RENEWABLE PILOT PROPOSAL**
2 **SHOULD NOT UTILIZE CARE FUNDING**

3 **(Witness: Karen Camille Watts-Zagha)**

4 IREC reintroduces its proposal for individual CARE customer to direct
5 their CARE subsidy to the purchase of renewable generation from a third-party
6 developer.²² Based on assumptions about residential electric rates and solar rates,
7 as well as the Net Energy Metering program,²³ IREC calculates that some higher
8 use CARE customers may receive a greater bill discount by receiving offset
9 credits through Net Energy Metering than their CARE discount. TURN filed
10 testimony opposing the IREC Pilot, and stating that the use of CARE program
11 funds to support the CleanCARE program would violate state law. ORA agrees
12 with TURN.

13 IREC’s CleanCARE pilot is an idea in search of a program, but as IREC
14 itself noted, “[b]ecause the CARE program is structured as a direct rate discount,
15 however, it provides very limited opportunities for enrollees to participate in
16 California’s renewable energy programs ...” CARE enrollees would be unable to
17 participate in IREC’s CleanCARE pilot for the same reason IREC admits their
18 participation in California’s renewable energy programs was limited. IREC’s
19 testimony does not offer a viable solution to explain how the Clean CARE
20 program would overcome the CARE structure to provide the funding proposed.
21 Describing the relationship between CleanCARE and the CARE program, IREC
22 states that “CleanCARE relies on the funding associated with the CARE rate
23 discount to support investment in renewable energy generation for the benefit of
24 participants via bill credits.”²⁴ The CARE program is simply not structured to
25 support investment in renewable resources, even as bill credits. As TURN noted

²² [1] Testimony of Sara Baldwin Auck on behalf of Interstate Renewable Energy Council, p. 4.

²³ [2] Ibid, p. 13-17.

²⁴ Testimony of Interstate Renewable Energy Council, Inc., p. 6.

1 Assembly Bill 327 clearly states that “the entire discount shall be provided in the
2 form of a reduction in the overall bill for the eligible CARE customer.”²⁵ IREC’s
3 proposal would add an investment component to the “reduction in the
4 overall bill”, which is clearly contrary to law.

5 Furthermore, Commission efforts to promote growth in customer-sited
6 distributed generation for low income and disadvantaged customers should not
7 come at the expense of the current CARE discount. The customers participating in
8 the Single Family Affordable Solar Homes (SASH) and Multifamily Affordable
9 Solar Homes programs do not give up their CARE discount in order to participate
10 in SASH or MASH. While ORA believes that disadvantaged customers and
11 communities should have access to renewables, ORA sees too many risks to
12 convincing CARE customers to direct a material benefit for investment in
13 renewable generation. IREC should seek a separate program with the utilities and
14 the Commission, completely apart from CARE, for its pilot.

²⁵ TURN, Testimony of Matthew Freedman, p. 4.

1 **CHAPTER 6 – ALL CARE POST ENROLLMENT**
2 **VERIFICATION PRACTICES SHOULD BE**
3 **CONSISTENT WITH ENROLLMENT, AVOIDING**
4 **CUSTOMER CONFUSION, AND FACILITATING**
5 **CATEGORICAL ELIGIBILITY**

6 The Commission established categorical eligibility as an eligibility standard
7 in 2002 and since then it has been an essential gateway to CARE participation.²⁶
8 Categorical eligibility reduces both real and perceived barriers to CARE
9 participation by allowing automatic access to customers receiving benefits from
10 other qualifying public assistance programs.

11 When it comes to standard post enrollment verification (PEV)²⁷, utilities
12 claim that they allow verification with public assistance documentation but, as
13 ORA and TURN presented in Testimony, only SoCalGas makes this clear in
14 verification requests to customers. Clarifying that public assistance
15 documentation fully demonstrates customer eligibility for CARE could potentially
16 improve response and retention rates (most of those de-enrolled by IOUs as a
17 result of verification are non-responders.²⁸

18 TURN’s testimony offers valuable insights regarding IOU implementation
19 of Commission categorical eligibility policies and assesses each IOU’s verification
20 practices, and provides recommendations for improvement.²⁹ ORA agrees with
21 TURN that customers who enrolled through categorical eligibility should not later
22 be asked for income documentation, and that all communications with customers
23 should be used as a tool to facilitate categorical eligibility. ORA, however, objects
24 to any IOU request of income information from categorically eligible customers

²⁶ See D.02-07-033.

²⁷ For customers using 400% of energy baseline or less.

²⁸ See 2014 annual reports, submitted 5/1/2014, Table 3A and Table 3B. IOUs currently lose 2-4% CARE enrollment through standard PEV.

²⁹ See TURN Testimony by Hayley Goodson, p. 11.

1 during PEV, and prefers that all utilities (including SCE)³⁰ use the SoCalGas letter
2 as a model for customer verification communications.³¹ IOUs should use
3 consistent messaging to customers from enrollment through verification, as
4 SoCalGas does.³² ORA does not object to IOUs requesting income information
5 from categorically eligible customers, but should not do so in conjunction with
6 enrollment re-certification, or verification.

7 ORA would like to see any potential barriers to PEV (or re-certification)
8 minimized including questions that might create real or perceived hurdles to
9 continuing on the CARE program. We find any lack of consistency from
10 enrollment through post enrollment verification potentially confusing and barrier
11 inducing.

³⁰ See TURN Testimony by Hayley Goodson, p. 8. TURN reports that SCE PEV form requires income information from customers providing categorical eligibility documentation and encourages them to change this approach but it is not advocating for this change immediately.

³¹ See SoCalGas PEV letter, attached ref006.

³² ORA protested PG&E, SCE, and SDG&E CARE application forms in 2013 and subsequently worked with these IOUs to distinguish income from categorical eligibility enrollment. These forms have been in use since 2014.