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February 6, 2008

Paul Clanon, Executive Director
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, California 94102

RE: A.08-07-021, et al. Request for Extension on Supplemental Filings of Energy
Efficiency 2009-2011 Applications

Dear Mr. Clanon:

The Local Government Sustainable Energy Coalition¹ (“LGSEC”) submits this response to the request submitted to you February 3, 2009 by the Joint Utilities, for an extension from February 16, 2009 to April 2, 2009 to file their revised applications for 2009-2011 energy efficiency portfolios. The LGSEC would support the Joint Utilities’ request only if the California Public Utilities Commission (“Commission”) adjusts the timing of the application program cycle to 2011-2013. The LGSEC also recommends the CPUC create an “evergreen” clause for local government partnerships that allows them to continue, with modification where warranted, unless there is a documented problem with local government partner performance. There are several reasons why the LGSEC recommends adjusting the next program cycle time frame and creating an evergreen clause for local government partnerships.

- ♦ The utilities suggest in their February 3 letter that the requested filing delay will allow the Commission to reach a decision by September or October, 2009. They suggest this is not a problem with the authorized bridge funding period and will not significantly delay program implementation. The LGSEC is frankly dubious that the Commission will reach a decision before December, if prior history in this case is any indicator of future progress.
- ♦ Prior history also shows us that the contract negotiation and signing process often takes six months or longer.² The utilities will not execute any contract until there is a final decision from the Commission. Assuming even a best-case October decision from the

¹ The Local Government Sustainable Energy Coalition includes: the Association of Bay Area Governments, the Association of Monterey Bay Area Governments, the City of Berkeley, the City of Huntington Beach, the City of Irvine, the City of Pleasanton, the City of Santa Monica, the County of Los Angeles, the County of Marin, the County of Ventura, the Energy Coalition, the South Bay Cities Council of Governments. Each of these organizations may have different views on elements of these comments, which were approved by the LGSEC’s Board.

² It is worth noting that the bridge funding for 2009 was authorized in October. As of yesterday, there was still at least one local government partner in the Southern California Edison (“SCE”) service territory that still had not received its executed contract from SCE, even though the counter-signed contract has been at SCE for many weeks. This local government partner is in danger of losing its lease if it cannot provide a signed contract from SCE, which in turn would be disruptive to program delivery.

Commission, the program cycle will not really begin until the second or third quarter, 2010. Program participants will be held to three year goals, with only about a year and a half to achieve them.

- ◆ The currently authorized bridge funding is due to expire at the end of this year. Without firm contracts in place for the next program cycle, staff members begin looking for new jobs in September. This again creates disruptions in program continuity, not to mention a loss of experienced staff.
- ◆ The current bridge funding is fixed monthly. This does not allow programs to ramp up and down as needed, for example, hiring summer student interns.
- ◆ Local governments are recognized by the State as critical players in implementation of climate change policies and energy savings goals. Local governments are here to stay. Local governments operate on budget and decision making cycles that extend beyond three years. In the energy efficiency arena, many of the policies and programs the State wants local governments to implement can begin in a three-year program cycle, but may not be completed until the next one, for example, building codes that exceed Title 24, community planning policies. The best way to ensure local governments are able to help the State meet its goals is to provide them with certainty for program funding.

The LGSEC appreciates the care and thoroughness with which the Commission is evaluating the proposed program portfolio for the next program cycle. The LGSEC stands ready to assist the Commission and the utilities in designing a statewide energy efficiency portfolio that will be cost-effective over the short-term and the long-term, and that will allow local governments to leverage resources and obligations to the benefit of ratepayers.

Please contact me with any questions or comments.

Sincerely,



Jody London

cc: President Michael Peevey
Commissioner John Bohn
Commissioner Rachelle Chong
Commissioner Dian Grueneich
Commissioner Timothy Simon
Andy Campbell, Advisor to Commissioner Chong
Matthew Deal, Advisor to President Peevey
Jamie Fordyce, Advisor to Commissioner Grueneich
Robert Kinosian, Advisor to Commissioner Bohn
Paul Phillips, Advisor to Commissioner Simon
Steve St. Marie, Advisor to Commissioner Bohn
Karen Clopton, Chief Administrative Law Judge
David Gamson, Administrative Law Judge
Julie Fitch, Director, Energy Division
Service List – A.08-07-021, et al.