BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Pacific Gas and Electric Company for Approval of the 2009- 2011 Low Income Energy Efficiency Program Plans and California Alternate Rates for Energy Programs and Budget (U39M).	Application 08-05-022 (Filed May 15, 2008)
And Related Matters.	Application 08-05-024 Application 08-05-025 Application 08-05-026

COMMENTS OF THE LOCAL GOVERNMENT SUSTAINABLE ENERGY COALITION ON WHOLE NEIGHBORHOOD APPROACH WHITE PAPER

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For THE LOCAL GOVERNMENT SUSTAINABLE ENERGY COALITION

I. INTRODUCTION

In accordance with the June 2, 2009 Ruling of Administrative Law Judge Kim, and the subsequent e-mail ruling on June 12, the Local Government Sustainable Energy Coalition¹ ("LGSEC") submits these comments on the *Whole Neighborhood Approach – White Paper* prepared by the Energy Division staff of the California Public Utilities Commission ("Commission"). This idea is one in which local governments are interested. Some are developing a whole neighborhood approach as part of applications for Block Grants under the American Recovery and Reinvestment Act ("ARRA" or "Stimulus Package"). As a threshold matter, the program also should be available to moderate income customers, a group of customers that otherwise often lacks resources to take advantage of energy efficiency programs.

II. RESPONSE TO QUESTIONS POSED BY THE ALJ

Below LGSEC responds to the questions posed in the ALJ Ruling.

♦ What are the most prominent logistical changes that need to be made for LIEE program delivery to implement the Whole Neighborhood Approach? How will it improve current program delivery? What are some of the challenges?

Designated Lead Entity

The proposal would benefit from a designated lead entity. The White Paper describes the many organizations that should potentially be involved in a whole neighborhood program, but it does not indicate which of them should be the lead. The White Paper also should distinguish between a lead at the state level for ensuring that Whole Neighborhood programs are deployed across the state, but also at the local level. As indicated above, some local governments are

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 and County of San Francisco, 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.

proposing programs very similar to the Whole Neighborhood proposal as part of their strategy to take advantage of Stimulus funds.

The White Paper assumes that the utilities will be lead entity for this effort. While the utilities certainly need to be included, and must provide data that will help the program run more efficiently, they are not necessarily the best entity to be the lead. The Commission must keep in mind the many disparate funding sources that can be brought to bear on this effort, as noted in the White Paper; the utilities do not have access to or control many of these funding sources.

The Commission should consider that there may be different lead entities for Whole Neighborhood programs in different communities. In larger cities, it might be the cities. In other areas, the Commission should look to regional energy offices as natural entities for this role. For example, the California Center for Sustainable Energy, the Redwood Coast Energy Authority, the Ventura County Regional Energy Alliance, and the South Bay Environmental Services Center all have established themselves as the central clearinghouse in their respective regions for information and services on energy efficiency and other sustainability issues. Many of these entities are part of an existing council of governments, or operate as joint powers authorities of government entities in a region.

A regional energy office would be able to coordinate among city housing authorities, county housing authorities, non-profit housing developers that operate low income housing, and other stakeholders. For example, a housing authority might want to use Stimulus funds to purchase foreclosed homes and renovate them so they meet building code before resale. A regional energy office could help the housing authority upgrade the renovations to be model green homes. The regional energy office could build a "mobile green energy efficiency

workforce" that specializes in renovation and weatherization work, and encourages green home mortgage finance, perhaps through participation in AB 811 type programs.

Outreach to Qualifying Customers

The White Paper should address more directly the issue of access, because many low-income customers do not own their homes. The program should include a component that is targeted at identifying and contacting property owners – an area where local government access to property tax owner information will be helpful. The program also should include an outreach segment focused on property managers, who often make maintenance recommendations and decisions for property owners.

Outreach to Qualifying Property Owners

Similarly, in thinking about the target audiences for the Whole Neighborhood program as it pertains to low income customers, the Commission must remember that seniors and low income families may not be high computer users, so online techniques may not be effective. The suggestion to use press releases and social networking seems the most useful approach, and can be coordinated with local governments, mobile home and home owners associations, and housing authorities, senior housing, senior centers, health clinics that serve low income customers, schools that have high populations of students that qualify for Free and Reduced lunch, and other organizations and places.

Additional Qualifying Facilities

Buildings eligible for participation in Whole Neighborhood programs should include schools, libraries, recreation centers and other public buildings, as long as they are located in redevelopment areas or other areas whose residents are primarily low income. These buildings serve the same population that is being targeted for participation in Whole Neighborhood

programs. Performing the range of services anticipated under the program in these buildings will provide residents with an opportunity to see first-hand how they work, and what is involved. When tied to a commitment to use local labor, with an emphasis on green workforce programs, performing weatherization on other public buildings will help build word of mouth support for the program. One requirement for participating public buildings might be that there will be a signage that describes the building's participation in the program, and also an information kiosk in the lobby that provides more information.

Program Activities

In terms of program operation, in Wave 1, the list of program activities must include disposal of compact fluorescent lamps ("CFLs"). CFLs are considered hazardous waste because they contain mercury. Their proper disposal falls to local governments. If this is not addressed ahead of time, this could create an unfunded mandate for local governments.

The program also should include an entire component on appliance assessment, as detailed below:

- Remove functioning secondary/old refrigerators/freezers (with education and customer support)
- Check for "vampire" electric loads associated with electronics
- Provide smart power strip for home communication centers (cell phone, computer, television/entertainment center, etc)
- Assess air conditioning for applicability to summer load shift programs; particularly advise seniors who stay in the home and may not fit program but need levelized billing and/or life alert programs
- Provide a plug-in appliance timer
- Outdoor motion sensor

Program Coordination

An essential key to coordination will be the extensive use of the utilities' data base to determine who has already been served and begin to share the data, as indicated in the White Paper. This is particularly true in Southern California, where both Southern California Edison

and Southern California Gas will be involved. Contractors should be selected on the basis of their ability to work with both utilities and minimize duplication of contract process, administration process and marketing efforts. Further, the team approach could be useful if coordinated with local government partnership programs whose efforts are regional or single cities, but within a targeted low income area. (This may pertain only in Riverside or San Bernardino Counties, as these may be the best targets to reach the 300,000+ customer target)

♦ To what extent have entities delivering LIEE measures worked with local governments in the past to implement energy efficiency program delivery? How do you envision using local governments and other organizations assisting and enhancing LIEE program delivery under the Whole Neighborhood Approach?

The White Paper correctly identifies the need for stronger coordination among the many entities that work with low income communities. Within local government, low income work often is coordinated out of a housing authority or economic development entity. These organizations do not always possess expertise in public works and/or energy efficiency. The LGSEC has recommended in A.08-07-021, et al. that utilities should fund a Resource Conservation Manager for large local government entities or regional groupings of smaller local government entities.² This position could be housed in a regional energy office. The Whole Neighborhood approach is another area where the expertise and experience of a Resource Conservation Manager would make an invaluable contribution to achieving energy efficiency goals.

The LGSEC agrees with the White Paper that there is opportunity for stronger coordination and collaboration among existing utility programs.

♦ What mechanisms would your organization like to see enacted that would ensure the fair allotment of leads (and subsequent contract work) amongst several CBOs/contractors

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² Comments of Local Government Sustainable Energy Coalition on Amended Utility Applications for 2009-2011 Energy Efficiency Program, April 17, 2009, pp. 11-13 and Appendix A, filed in A.08-07-021 et al.

working within the same WNA neighborhood event? Could this mechanism be used to "space" LIEE work throughout the year?

The Commission must keep in mind that some local governments have local vendor policies that are designed to provide jobs to local residents. Particularly in these economic times, the Commission can help by requiring the training and use of local residents. This will assist with green workforce development. Some local governments also have prevailing wage requirements, which must be respected.

Similarly, there may be issues with volunteers and insurance requirements in California.

To the extent the program will rely on volunteers, requirements around their participation should be fully vetted in advance so they are not turned away.

III. CONCLUSION

The LGSEC supports the adoption of a Whole Neighborhood Approach. Local governments are developing similar programs of their own, as part of their ARRA activities, and should be integral participants in whole neighborhood programs. The program should be modified to include moderate income customers, and public buildings such as schools, libraries, and recreation centers. Whole neighborhood programs should be mindful of disposal issues associated with CFLs, and should include a component on appliance assessment. Regional energy offices are ideal entities to coordinate whole neighborhood programs in specific regions. These efforts can be supported by Resource Conservation Managers within local governments. Whole Neighborhood programs can be excellent vehicles to support green workforce development, and should abide by any local labor, prevailing wage, or similar local policies.

Dated: July 3, 2009 Respectfully submitted,

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CERTIFICATE OF SERVICE

I, Jody London, certify that I have, on this date, served a copy of "Comments Of The Local Government Sustainable Energy Coalition On Whole Neighborhood Approach White Paper" on all known parties to A.08-05-022, A.08-05-024, A.08-05-07-025, and A.08-05-026 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 July 3, 2009 in Oakland, California.

Jody London

Proceeding: A0805022 - PG&E - FOR APPROVAL Filer: PACIFIC GAS AND ELECTRIC COMPANY

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