BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Southern California Edison Company (U338E) for Approval of its 2009- 2011 Energy Efficiency Program Plans and Associated Public Goods Charge (PGC) and Procurement Funding Requests.	Application 08-07-021 (Filed July 21, 2008)
And Related Matters.	Application 08-07-022
	Application 08-07-023 Application 08-07-031

COMMENTS OF THE LOCAL GOVERNMENT SUSTAINABLE ENERGY COALITION ON UTILITY SUPPLEMENTS TO 2009-2011 ENERGY EFFICIENCY APPLICATIONS

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For THE LOCAL GOVERNMENT SUSTAINABLE ENERGY COALITION

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I. INTRODUCTION

In accordance with the Assigned Commissioner's and Administrative Law Judge's ruling of May 29, 2009, and the June 1, 2009 e-mail correction to the filing date, the Local Government Sustainable Energy Coalition¹ ("LGSEC") submits these comments on the supplements to the 2009-2011 energy efficiency applications of the investor-owned utilities. The utility supplements did not make dramatic changes to the local government partnerships. LGSEC therefore stands by its earlier filed comments on both the originally submitted and the amended utility applications.²

There are some new issues raised in the supplemental filings, or issues that have been raised by the passage of time, and those are discussed below. Specifically, LGSEC supports adjusting the program cycle to a 2010-2011 transition period. LGSEC also suggests that local governments can make progress toward achieving goals outlined in the *California Energy Efficiency Strategic Plan* with proper support.

II. THE PROGRAM CYCLE SHOULD BE MODIFIED

Southern California Edison ("SCE") requests that the program cycle be moved out to 2010-2012. In the shortened time frame available for the next program cycle, SCE asserts it simply cannot meet the three year goals, with which LGSEC agrees. SCE recognizes that 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 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.

² Response of the Local Government Sustainable Energy Coalition to Utility Energy Efficiency Applications for 2009-2011, August 28, 2008, in A.08-07-021, A.08-07-022, A.08-07-023, and A.08-07-031, and Comments of the Local Government Sustainable Energy Coalition on Amended Utility Applications for 2009-2001 Energy Efficiency Programs, April 17, 2009.

California Public Utilities Commission ("Commission") has not yet adopted goals for 2012. Therefore, SCE asks the Commission to use the total market gross ("TMG") goals established in D.08-07-047, as this Decision established interim TMG goals for each IOU service territory for the years 2012 through 2020. SCE maintains this is the best proxy for a savings goal until the Commission completes its savings potential update in 2010.

LGSEC is on record as supporting an alternate time frame.³ 2010-2011 should be used as a transition period to a better designed program that will commence in 2012, one that is developed with sufficient time and stakeholder collaboration to meet the Commission's goals, objectives, and directives. During this transition period, there must be flexibility to incorporate new and innovative programs.

Because 2009 has been a bridge funding year and has therefore not seen the program implementation initially expected, LGSEC supports counting 2009 energy savings toward progress in this program cycle. The goals for 2010-2011, however, may need to be revised downward to reflect that programs have not had the full time to be rolled out. In some instances, budget constraints and increased administrative burden during the Bridge period have handicapped program implementation, which must also be considered in adjusting goals for the 2010-2011 transition period.

III. LOCAL GOVERNMENT ELIGIBILITY FOR DIRECT INSTALLATION INCENTIVES

LGSEC reiterates here the request made in its June 25, 2009 *Motion to Amend Bridge Funding*. The next program cycle should recognize local governments as part of the commercial category and as such, eligible for up to 100% direct installation program approaches to avoid lost

³ April 17, 2009 LGSEC Comments, pp. 9-10; Reply Comments of LGSEC on Amended Utility Applications, May 5, 2009, p. 2.

opportunities. Most local government accounts take service under some type of commercial tariff. These accounts should be eligible for the same direct installation incentives as other commercial customers. This will increase the comprehensiveness of local government energy efficiency programs.

IV. THE COMMISSION MUST ENSURE THAT LOCAL GOVERNMENTS CAN CONTINUE TO MAKE PROGRESS UNDER ENERGY EFFICIENCY PARTNERSHIPS TOWARD STRATEGIC PLAN GOALS

Pacific Gas & Electric ("PG&E") is requesting a smaller budget for 2009-2011 to reflect the downturn turn in the economy, the late start, and less focus on the *Strategic Plan* because of the bridge funding. PG&E says partnership budgets are unchanged except that PG&E has reduced administrative costs and reduced funds for the Green Communities and Innovator Pilot programs.

LGSEC appreciates PG&E's efforts to effectively use ratepayer funds. However, LGSEC remains concerned that PG&E is cutting programs that offer the greatest opportunity to achieve the goals of the *California Energy Efficiency Strategic Plan*. The City and County of San Francisco ("San Francisco") has previously offered detailed comments on how the Commission can ensure that innovative programs that advance the goals of the *Strategic Plan* move forward in the 2009-2011 program cycle. The Commission should revisit these comments as it considers how the current proposals will help achieve the *Strategic Plan* goals. Specifically, San Francisco:

...urges the Commission to initiate a parallel path funded by PGC funds for long-term strategic resource acquisition through innovative programs that could have been in place and making headway now had the IOUs included them in their initial applications. Such Strategic Plan implementation activity should be

operated under different metrics and should not be governed by the MPS, PEB nor RRIM.⁴

And

The Strategic Plan identifies important opportunities for local governments to drive energy efficiency through creative use of their governmental authority such as zoning and permitting, and bundling with the delivery of other services such as water and waste removal to name a few. Currently, there are also opportunities to build in energy efficiency components in stimulus money funded projects. These activities like the Codes and Standards work are inappropriate for control by the Utilities due to lack of jurisdiction, lack of qualifications and conflicts of interest.

An alternative avenue to move these types of projects forward pending formation of a CEEA [California Energy Efficiency Alliance] would be for the CPUC itself to invite and select such proposals directly from local governments.⁵

During a 2010-2011 transition period, the Commission would have the opportunity to experiment with a more direct and innovative relationship with local governments. This would facilitate the long term strategic implementation advocated by San Francisco and by the LGSEC.

V. CONCLUSION

The LGSEC appreciates the challenges the Commission faces as it reviews these applications. We encourage the Commission to consider the vast record in this proceeding, and act quickly so we all can move forward with California's ambitious energy efficiency agenda.

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⁴ Protest of the City and County of San Francisco on the Amended Applications of the Investor Owned Utilities for Approval of Electric and Natural Gas Energy Efficiency Programs and Budgets for Years 2009-2011, p. 5. ⁵ Ibid, p. 11.

Dated: July 17, 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 Utility Supplements to 2009-2011 Energy Efficiency Applications" on all known parties to A.08-07-021, A.08-07-022, A.08-07-07-023, and A.08-07-031 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 17, 2009 in Grand Coulee, Washington.

Jody Smoln

Jody London

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Proceeding: A0807031 - PG&E - FOR APPROVAL

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