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Examination of Burden of Administration Costs

Rita Norton and Associates Comments:

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Introduction

California operates energy efficiency and renewable programs that are burdened with great inefficiencies due to overlap of administrative costs. Given the even more demanding challenges facing our need for future reductions in greenhouse gas emissions, it is necessary to greatly increase the achievement of reduction goals of non-renewable energy use. An overhaul of program delivery systems will allow the shifting of program funds from administrative costs to incentives and programs that achieve measurable savings. This proceeding should set time aside to examine the extent of this waste and do so by beginning with the suggested line of questions and studies below.

Recommendations

Campaign across all administrators and operators for a realignment of positions, schedule joint sessions with objective to break down institutional barriers and recognition of the need for fundamental change.

Review total amount of administration funds spread out over all players involved in energy efficiency and renewable programs.

Audit all costs in administration and oversight in all organizations, identify duplicative costs as potential program waste and begin to consider comprehensive re-design accordingly.

Seek out hidden administrative costs that occur due to "program silos" and identify where breaking down these boxes could be accomplished by unifying into programmatic business plans.

Set goal to manage and reduce administrative portion of total energy efficiency and renewable program budget across all program administrators to a much lower level, to be determined by a study of the degree of current waste, that in turn raises the bar and greatly improves cost effectiveness of measures and programs that currently fail to pass program cost effectiveness lens.

Seek discussion of the possibility "win/win" legislation allowing transfer of energy efficiency and renewable incentive funds from utility management to an independent administrator under state authority while conserving high level of expertise.

Set requirements that propel local programs to aggregate to meet highly competitive administrative levels that operate under and report to cost-effective single authority.

Authorize management of evaluation program to one central entity and to do so within budget limits.