

DOCKETED

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Pacific Gas and Electric Company_Water Appliance Rebate Program

Additional submitted attachment is included below.

June 12, 2015

**VIA E-MAIL DOCKET@ENERGY.
CA.GOV**California Energy Commission
Dockets Office, MS-4
Docket No. 15-WATER-03
1516 Ninth Street
Sacramento, CA 95814-5512Re: Docket 15-WATER-03: Drought Response, Water Appliance Rebate Program. Response of Pacific Gas and Electric Company to Questions for Stakeholder Input.**I. Introduction**

Pacific Gas and Electric Company (PG&E) appreciates the opportunity to provide comments on the Water Appliance and Fixture Rebate Program (the Program) and to respond to the questions posed in the May 28, 2015 Webinar on Program design. PG&E has previously indicated its support of this Program during an April 7, 2015 meeting with CEC advisors and staff and in a letter to Chair Weisenmiller dated May 14, 2015.¹ The CEC is well positioned to effectively advance the energy-related initiatives it has been tasked with, and PG&E looks forward to working with the CEC to accomplish those goals.

Since the 1970s, PG&E has been a leader in energy efficiency and has worked closely with government, nonprofit, and private sector partners to design and implement programs and policies that allow Californians to do more with less energy. PG&E's energy efficiency portfolio includes a robust suite of rebates, incentives, services, and tools to provide every customer choices from a comprehensive set of tools and technologies through multiple delivery channels to help them reduce energy usage and save money. These programs and services are supported by utility staff, government partnerships, trade professionals, retailers, distributors, manufacturers, and other third-party providers. From 2010-2014, PG&E's energy efficiency programs helped customers avoid the release of more than 2,000,000 metric tons of carbon dioxide (CO₂), which is equal to the annual greenhouse gas emissions from nearly 460,000 passenger cars or more than 1,400,000 homes in PG&E's service territory.

As discussed below in the Responses to Questions, PG&E has extensive experience, tested processes, and retail and manufacturer relationships in the appliance rebate arena that allow us to

¹ http://docketpublic.energy.ca.gov/PublicDocuments/15-WATER-03/TN204700_20150522T141311_Valerie_Winn_Comments_PGE_Drought_Support_Letter.pdf

easily deploy incentive programs and educational initiatives to customers. Over the past several years, PG&E has partnered with dozens of water agencies to deploy rebate successful programs and has maintained those strong relationships.

II. Responses to Questions

a) What rebate and incentive programs are available today?

i. Are rebates and incentives offered to single-family and/or multifamily residences?

See response under a) ii.

ii. What appliances and fixtures are included in existing programs?

PG&E offers a variety of water/energy programs through our multiple delivery channels which assist our single and multifamily customers.

- Rebates for energy efficient clothes washers are available through our Residential Energy Efficiency Rebates and Multifamily Energy Efficiency Rebates programs.
- No-cost direct installation of water/energy savings measures, such as showerheads, thermostatic control valves, and aerators. This is available through many programs, including our Energy Savings Assistance Program, Moderate Income Direct Install, California Youth Energy Services and Mobile Home Efficiency programs.
- Water and energy savings measures such as showerheads and faucets as part of a comprehensive scope of work for single or multifamily residences are offered through Energy Upgrade California Home Upgrade and the Multifamily Upgrade Programs.

In addition to rebates and incentives, PG&E offers a variety of tips, resources and support to customer through our field representatives, retail partnership, online Energy Smart Marketplace, newsletters and website. For example, www.pge.com/drought provides a one-stop shop for customer education around water and energy opportunities.

iii. What is each rebate level? How did you determine rebate level? Do you have a tiered approach?

- The rebate for an ENERGY STAR Most Efficient clothes washer is \$50 from PG&E and an additional \$100 if the customer is served by a participating water agency. We are in the process of expanding the eligibility to include all ENERGY STAR clothes washers at a lower rebate tier which will broaden the eligible models available to customers.
- The determination of rebate levels has multiple inputs and is often adjusted over time based on market activity. To set rebate levels we take into account the sector, potential market channels, both the incremental

and total cost for the measure, the energy savings and the Total Resource Cost (TRC) as determined by the E3 calculator.

- PG&E leverages industry or national standards, such as ENERGY STAR or the Consortium for Energy Efficiency, where possible. These standards often have tiers of efficiency, if none exist for a product we typically prescribe the eligibility by efficiency metrics (e.g., SEER and EE level for air conditioning).

iv. How many rebates (by appliance/fixture) have been issued in the last 12 months?

In 2015, PG&E plans to incentivize or install the following quantities (values may increase or decrease based on market activity):

- High efficiency clothes washers rebates
 - 40,000 units
- Energy Savings Assistance Program
 - 109,500 showerheads, 75,200 aerators and 87,400 thermostatic control valves
- Moderate Income Direct Install
 - 3,000 aerators and 2,000 showerheads
- California Youth Energy Services
 - 3,100 aerators and showerheads
- Mobile Home Efficiency programs
 - 450 aerators and 1,250 showerheads

b) What indoor water appliances and fixtures should be included in this rebate program?

It is important to focus on items with the biggest opportunities between existing equipment and code and/or efficient models, which is why we recommend focusing on clothes washers. Clothes washers represent the largest indoor appliance water savings potential in the state.² While water efficient fixtures are valuable, the cost and potential rebate are small, which is why PG&E uses direct installation channels as the primary mechanism for these types of items. PG&E is willing to partner with the CEC to expand direct install water measures, which may especially benefit customers with propane water heating which we are currently unable to serve with current funding sources.

c) What is the recommended rebate level by appliance and fixture? How much rebate is necessary to incentive a consumer to retire an appliance or fixture early?

Different incentives are needed depending on the goal. For example, persuading someone in the market for an appliance to select a high efficiency model can be done by covering all or most of the incremental cost. Conversely, encouraging someone with a functioning

² Urban Water Conservation and Efficiency Potential in California, Figure 5. June 2014. Pacific Institute & National Resource Defense Council. <http://www.nrdc.org/water/files/ca-water-supply-solutions-urban-IB.pdf>

appliance to consider replacement requires the incentive to cover a larger part of the total cost. Existing utility and water agency incentive funding could be leveraged in conjunction with one another to reach an incentive level that would spur early replacement of existing equipment.

d) How should this rebate program interact with other rebate programs?

To minimize confusion and costs it is critical to partner with and leverage existing rebate channels. As mentioned in our May 14, 2015 letter to Chair Weisenmiller, an area where PG&E can partner immediately with the CEC is on implementing the water appliance rebate program. PG&E has extensive experience, tested processes, and retail and manufacturer relationships in the appliance rebate arena that allow us to easily deploy incentive programs and educational initiatives to customers. Over the past several years, PG&E has partnered with dozens of water agencies to provide over a hundred thousand water and energy rebates for high efficiency clothes washers. In this program, PG&E processes both the water agency and energy efficiency rebates, issues customer rebates and advertises the program through our multiple channels. PG&E could easily expand existing programs throughout our service territory to accommodate CEC water efficiency rebates. This would allow the state to launch a rebate program immediately, limit costs for administration and ensure a consistent customer message.

e) What are the most effective and efficient rebate delivery channels?

The most effective channel depends on the product, data collection needs and the incentive amount. Point of sale rebates are an option at some major retailers as long as customer data is not required. In general the easier it is for the consumer to access information and the rebates the more volume the program will achieve. For lower priced products like shower heads and aerators, direct install, mid-stream and upstream channels may have higher impact, less overhead and are typically more customer friendly. PG&E's Energy Smart Marketplace, which helps consumers make informed choices when buying the most efficient products, is also available as a channel to identify qualifying products and promote rebates.

f) How do we encourage retailers to participate in the program?

Retailers will be interested in participating and partnering on an appliance rebate program if there is an opportunity to increase sales. However, it is challenging for many of them to deal with multiple rebate offerings, fulfill data collection needs and adapt to short term offerings. Focusing retail coordination efforts on promotion of the incentives is a way to drive additional volume without adding cost or disruption to the customer purchasing process. The retailers we have spoken with are anxious to understand what incentives will be offered on what products and when. The more lead time available, the more readily retailers can leverage the opportunity through marketing and product positioning. Once the rebate levels and specifications are finalized it would also be prudent to ensure that Eco Rebates, the company that populates rebate information on retailer websites, is notified.

g) Are there sufficient appliances and fixtures that meet new CA Water Appliance Regulations available in stores today?

PG&E has no comment. However, if the CEC is interested, PG&E is happy to provide points of contact at appliance retailers and manufacturers who would be able to provide feedback.

h) How quickly can manufacturers make products that meet new Water Appliance Regulations available in stores?

PG&E has no comment. However, if the CEC is interested, PG&E is happy to provide points of contact at appliance retailers and manufacturers who would be able to provide feedback.

VI. Conclusion

PG&E thanks the CEC for the opportunity to review and provide comment on the Water Appliance and Fixture Rebate Program. PG&E looks forward to continued collaboration with the CEC on this subject in the future.

Sincerely,

/s/

Valerie Winn

cc: J. Bastida by email (jack.bastida@energy.ca.gov)