

BEFORE THE
CALIFORNIA ENERGY COMMISSION

In the Matter of:) Docket No. 09-OII-1
)
Order Instituting Informational)
Proceeding American Recovery)
and Reinvestment Act)
_____)

THE AMERICAN RECOVERY AND REINVESTMENT ACT
STAFF WORKSHOP

CALIFORNIA'S STATE ENERGY EFFICIENT APPLIANCE REBATE

PROGRAM GUIDELINES

1516 Ninth Street
First Floor, Hearing Room A
Sacramento, CA

DOCKET	
09-OII-1	
DATE	NOV 19 2009
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THURSDAY, NOVEMBER 19, 2009

10:00 A.M.

Reported by:
KENT ODELL



ORIGINAL

STAFF PRESENT

Lorraine White

ALSO PRESENT

Paula David
Peter Straot
Janis Erickson
Cheryl Wynn
Lela Manning
Marcela Fox
Mike Gantman
Pam Bradley
Mohan Kumar
Colleen Higham

I N D E X

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Lorraine White, Program Manager, SEEARP California 4

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1

1 P R O C E E D I N G S

2 NOVEMBER 19, 2009 10:00 a.m.

3 MS. WHITE: Good morning everyone. This is
4 Lorraine White with the California Energy Commission. Today
5 we are holding a staff workshop on the California State
6 Energy Efficient Appliance Rebate Program Guidelines and
7 Associated Environmental Documentation.

8 With those of you on the Web and attending
9 remotely, the format for today is to actually go through
10 staff presentation and then to allow for comment and
11 questions after the presentation. Hopefully, many of your
12 questions will be answered as part of the discussions that I
13 will be going through about the guidelines themselves, and
14 our environmental evaluation. For those of you who do have
15 questions that you would like to ask, or make comments, if
16 you would please use the raised hand function and I will be
17 able to then allow you into the teleconference, you will be
18 prompted to give your phone number for a call-back, and then
19 you will be allowed to ask your questions or make your
20 comments. And we will be going through one at a time as we
21 use this function, to allow everyone to hear your question
22 and it to be piped through the audio.

23 We are also transcribing this meeting and
24 recording the contents for availability on the Web in the
25 event there are others who are not able to attend, and also

1 for us to be able to establish a record for this meeting.

2 Without much further ado, let me make some
3 logistical announcements for those of you who are actually
4 attending in person. We have a snack shop at the top of the
5 stairs, I welcome you to get some coffee or make yourself
6 comfortable, and I am hoping to not have this be too formal
7 a discussion, but we do have some refreshments in the snack
8 shop available for folks. In the event that there is an
9 emergency, an alarm will sound, I will direct everyone to
10 actually exit the building, and then give you all
11 information on when we will be allowed back in. I do not
12 expect that to actually occur, but it is always good to have
13 some forewarning in the event it does.

14 If you need to use the facilities, they are up the
15 double doors and to the left, and then also another set is
16 actually behind the elevators here on the first floor. So
17 with that, let me go ahead and get started on what we will
18 be discussing today.

19 As part of the American Recovery and Reinvestment
20 Act, the Energy Commission is participating in the State
21 Energy Efficiency Appliance Rebate Program. As is required
22 by state law, we need to establish guidelines, make those
23 guidelines available for public review and comment, formally
24 adopt those guidelines, conduct an environmental review to
25 assess the potential for adverse impacts, and then, if

1 necessary, recommend appropriate mitigation. So the purpose
2 of today's meeting is to go over the guidelines that we have
3 established as a framework for this state program, that
4 would allow us to participate in the Federal effort, and
5 then also, the results of our environmental analysis, which
6 I think are actually quite positive. Again, my name is
7 Lorraine White; I am the Program Manager here at the Energy
8 Commission. With me today, we also have Paula David and
9 Peter Strait, they are assisting me in this effort, so in my
10 absence, if that were to ever occur, you can always rely on
11 Paula and Peter.

12 The agenda today is to essentially give the
13 context for the State Energy Efficient Appliance Rebate
14 Program, some background and overview of how we got here,
15 and discuss what California is proposing in terms of our
16 guidelines. Specifically, we are looking at a program
17 structure and the rebates that we are going to be offering
18 and the eligibility criteria in order to claim those
19 rebates. Of course, as I said, we will also be discussing
20 briefly our environmental review results. We will be
21 looking at the schedule for the program and the program
22 roll-out and, specifically, I want to discuss some of the
23 next steps for the near term. Much of the overall program
24 schedule is dependent on our timely success and effective
25 implementation of these next steps.

1 As I mentioned, I would very much like to hear
2 from you, I would like to know if you have any questions
3 about what we are proposing and provide any comments for our
4 consideration. Again, for those of you attending remotely,
5 you do have a raised hand function through the WebEx system,
6 and then that will allow me to select you for joining the
7 teleconference and allow you to call in and ask your
8 questions.

9 The State Energy Efficient Appliance Rebate
10 Program is one of several ARRA-related activities that the
11 Energy Commission is the lead for. I mention here that we
12 are also the lead for the Energy Efficiency and Conservation
13 Block Grant Program, which is made available to local
14 agencies. We have about \$50 million that we will be
15 providing in grants to local agencies to assist them with
16 various types of energy-related projects. We also have the
17 State Energy Program which is about \$225 million, which
18 actually is open to a variety of different uses, private and
19 public. For the State Energy Efficient Appliance Rebate
20 Program, we are looking at an allocation from the Federal
21 Government on the order of \$35 million. All of the
22 information about our recovery-related activities is found
23 on our website, it is prominently featured on our main page
24 and a map of the state with the American Recovery and
25 Reinvestment Act Notice there on top of it. And, in fact,

1 in the lower left-hand corner is the icon that you can click
2 on when you see it on our main web page.

3 Before we get into the specifics about the State
4 Energy Efficient Appliance Rebate Program, I just wanted to
5 touch on some of the over-arching goals that have been
6 specified for ARRA-related activities. And specifically
7 these are priorities that are enumerated in the Governor's
8 Executive Order. All of the documents, as I said, are about
9 our ARRA programs, and the way we implement them, the
10 priorities and policies that dictate what must be done in
11 these programs is available for public review on our
12 website, including the Governor's Executive Order. But
13 primarily, in this particular instance, I have highlighted
14 or bolded some of those aspects of the priorities that most
15 pertain to the State Energy Efficient Appliance Rebate
16 Program. In particular, what we are hoping to achieve
17 through these stimulus efforts is not only a stimulation of
18 the economy, but doing so in a very efficient manner that
19 helps to reduce energy use. Of course, we would like to
20 attract and retain industry and create jobs in the state,
21 but when we implement these programs, we are required to do
22 so in a very efficient and cost-effective manner. These are
23 public funds, we have a fiduciary responsibility to manage
24 them as efficiently as possible, to be accountable for them,
25 to have transparent processes, to use those funds, to

1 augment existing programs or activities, leverage other
2 dollars or other programs, whether public or private, and
3 that we would like to see the effects of these programs to
4 be a positive, long-term effect that allows us to create
5 self-sustaining programs that build on partnerships with
6 public and private entities. In particular, we would like
7 our effects on energy use to be lasting and measurable.
8 These goals and objectives are very consistent with the
9 policies and program guidelines that we have laid out
10 through our Integrated Energy Policy Report through the
11 Energy Action Plan; it is consistent specifically with the
12 State's Loading Order. The Appliance Rebate Program was one
13 of those activities that will help us with our appliance-
14 related goals and activities to expand the efficiency of
15 these devices that everybody has in their homes,
16 conservation is key to achieving the state's goals, it is
17 the first and foremost amongst the loading order objectives,
18 and in particular these are also policy goals that are
19 consistent with the Air Resources Board's Scoping Plan, an
20 effort to help us achieve the state's greenhouse gas
21 emission reduction goals mandated by AB 32. To a lesser
22 extent, of course, there are issues about expanding the use
23 of bioenergy and to take advantage of renewable development
24 wherever possible.

25 Specifically, when it comes to the State Energy

1 Efficient Appliance Rebate Program, the Department of Energy
2 enumerated particular objectives. We want to use the
3 replacement of old inefficient appliances as a way to save
4 energy. And to encourage that, we are offering consumers
5 rebates, specifically residential consumers. We want to
6 make the rebates available to all residential consumers
7 within a state, or a territory, or a region, that is
8 participating in the program, leverage the funds that are
9 being offered by the Federal Government with existing rebate
10 programs and other partnerships, specifically these are to
11 augment, not replace, or displace, any other kinds of
12 programs. We want to keep the administrative costs as low
13 as possible. The Energy Commission has taken this task very
14 seriously, not only because it makes good sense, but we
15 really do not have at the state level additional funds that
16 we can spend to cover administrative costs, or to cover
17 over-subscription of these rebates. So it is very important
18 for us to keep as much of the costs associated with the
19 program as low as possible, while at the same time, of
20 course, providing that transparency, that accountability,
21 monitor the effects of the programs, and to be able to
22 provide accurate reports to the Federal and State Government
23 so that they know what the effects of these efforts really
24 are.

25 In terms of the guidelines, the guidelines

1 specifically address, in very brief terms, some of the
2 background about the program and provide references to the
3 foundation of the program and its development. It explains
4 the structure and the process that California is going to go
5 through in order to implement the program. We specify the
6 eligibility rules, what appliances will be covered, what
7 rebate amounts, what are the eligibility requirements for
8 actual recipients, what types of information will they have
9 to provide, and then also to generally lay out the claim
10 process. One note to make here, we have also the intent to
11 hire a contractor and, as part of that contracting process,
12 more details on the actual claim process will be made
13 available to everybody. And then, of course, we lay out a
14 target schedule for the program.

15 Now, the context in which this program is being
16 developed and implemented actually originates with the
17 Federal Energy Policy Act of 2005. EPAC actually created
18 the opportunity for the Federal Government to provide funds
19 to states, territories, District of Columbia, to augment or
20 supplement their rebate programs and offer these rebates to
21 residential consumers for the replacement of inefficient
22 appliances. And, as I said, it is intended to augment or
23 supplement existing programs, to leverage those
24 partnerships, and those activities, and to expand the
25 effectiveness of those activities. It grants states the

1 ability to define the appliances that would be included in a
2 program and the rebate amounts. Essentially, it is the
3 responsibility of the state to make those proposals to the
4 federal government; they would review them and approve them,
5 and grant the funds.

6 Now, the program under EPAAct was never funded, it
7 was not until the American Recovery and Reinvestment Act was
8 passed that funding was provided. And the funding is
9 basically formula based, based on California's population
10 and those of the other states and territories. There is
11 about \$300 million available nationally; California, based
12 on that formula, is targeted to get \$35.2 million to run our
13 program. The program is actually administered through the
14 Department of Energy at the federal level. The Department
15 of Energy has made some additional specifications; they
16 define energy efficient appliances as at least Energy Star,
17 so Energy Star appliances are, you know, the starting point
18 for any appliance consideration, any brand model involvement
19 in the program, and eligibility for rebating. It must be
20 available to all the residential consumers in a state or
21 territory, and it is to the residential consumers, not
22 people like landlords or commercial businesses, not owners
23 of commercial properties or things like that. So there are
24 certain restrictions that Department of Energy has provided
25 us, which we have incorporated into our guidelines, and are

1 reflecting through the development of the specific
2 applications and things like that which will be produced
3 between now and the actual launch of the program.

4 They specify 10 preferred categories of appliances
5 from which they can choose, in particular, the Energy Star
6 Program defines what is an appliance and what is not. So,
7 for example, a television under the Energy Star Program is
8 an electronic device, not an appliance. Now, that is a
9 difference than in California, in California we define a TV
10 as an appliance. So rather than try and go through an
11 exhaustive justification, we decided to keep the program on
12 track and expedite the deployment of the program, and that
13 we would choose only among those 10 categories of
14 appliances. As part of the program, you have to provide as
15 much of the \$35 million in the rebates, you can spend at
16 most 50 percent of the ARRA funds on your administrative
17 costs, and the other 50 percent has to be supplied by the
18 state, it is a cost-share requirement. Now, in California,
19 our goals and objectives are to try and keep those
20 administrative costs about 10 percent or lower, rather than
21 have those costs be any higher. So, as a result, we are
22 talking about administrative costs, at most, around \$3.5
23 million, with ARRA funds only being allowed to be spent on
24 about half of that and the state having to come up with the
25 other half. There are specifications for reporting and

1 documentation. We will have to do regular reporting to DOE
2 and to other entities of the federal government to ensure
3 accountability and transparency, and that we have done
4 everything we are intending to do.

5 And DOE has recently asked all states to provide
6 information on how they are going to verify that the old
7 appliances are, in fact, replaced. And they encourage
8 heavily that what they mean by replaced is recycled.
9 California already made a decision before this dictate came
10 out that we were going to require recycling of the old
11 appliances as a tenet of the program. Yes?

12 AUDIENCE: So that is a California rule, not a DOE
13 rule?

14 MS. WHITE: The question is, is that a California
15 rule, not a DOE rule. The way that DOE is interpreting
16 "replace" as specified in EPCAct is that means the appliance
17 has to be off the grid, okay? Now, DOE cannot mandate that
18 you actually recycle the appliance, but they are telling
19 states that they would prefer the appliances be recycled to
20 ensure that they stay off the grid because if you refurbish
21 and resale, then it is coming back on the grid, but they
22 have no authority to mandate the states, actually institute
23 a recycle program. Now, we do not have that problem
24 because, in California, we already have programs in place,
25 and I will talk about that later. But essentially, they are

1 interpreting the definition of "replace" as that old
2 appliance is coming off the grid.

3 AUDIENCE: Just one more question. Is that for
4 all three appliances?

5 MS. WHITE: That is for all three appliances, and
6 actually they are specifying it for all appliances in the
7 states' and territories' programs. Yes?

8 AUDIENCE: [Inaudible].

9 MS. WHITE: Now, the question was does the
10 appliance have to be working. In our application to DOE,
11 and in our guidelines, we were asking that the appliance be
12 working, okay? Now, the question is going to be, with our
13 partners, particularly our utility and retail partners, how
14 easy is it going to be for us to show that? And if it is
15 not going to be possible, then we will have to revisit that
16 tenet. But right now, we are asking that the replaced
17 appliance, even though it may be clunking along and not
18 working perfectly, that it at least be able to work to some
19 degree. Now, this may be that the fan runs, but it does not
20 get cold, and that is why you are replacing it anyway, but
21 we need to be able to demonstrate -- one of the tenets of
22 the program has to be that we prevent fraud, abuse, and
23 waste. And one of the ways that some of the utility
24 programs have actually done that is to ensure that the
25 replaced appliance that is being pulled out of the home had

1 worked, or is working, and that is why the appliance was
2 being replaced, and it is coming off the grid, it is not
3 something that somebody pulled out of the garbage, or pulled
4 out of a garage that has been sitting in there forever, and
5 not really doing anything. And we have adopted that
6 approach.

7 Now, we are still in process of getting our
8 application approved by Department of Energy. The money is
9 not in our bank account yet, so we have not -- one of the
10 reasons why we have not been able to start our program and
11 offer the rebates. The initial application, the whole
12 process about obtaining these funds began at the end of July
13 for the Energy Commission, we put together our initial
14 application August 15th, we were able to define our
15 comprehensive program plan and submit it to DOE by October
16 15th, by the deadline, and we are expecting that, now having
17 answered all their questions and giving them clarifications
18 on our program, that we will be awarded funds no later than
19 November 30th. What we are targeting is that we will then be
20 able to institute our contract for rebate processing, and
21 launch a program by spring of 2010. Overall, the federal
22 program for the State Energy Efficient Appliance Rebate
23 Program is actually going to run through February 17th, 2012,
24 or until funds are exhausted, whichever comes first, and
25 states and territories are directed to ensure that all of

1 their funds are exhausted by at least February 17th, 2012.
2 In addition, we will be doing regular recording and
3 documentation on how much we have provided in terms of
4 rebates, what we have given rebates for, and how much is
5 left in our accounts.

6 The program guidelines define what California is
7 adopting as the state's structure. The program is going to
8 be overseen by the California Energy Commission, we are in
9 the process of defining how that process is going to run, we
10 are actively seeking partnerships with private entities in
11 order to help meet our match. We do not have the financial
12 resources within the state, especially under our current
13 budget crunch, to actually meet the administrative match
14 requirements on our own, so we are very dependent on the
15 assistance of utilities, retailers, manufacturers,
16 recyclers, marketers, buyers, and the like. To date, we
17 have in fact been able to secure the assistance and
18 commitments from two major appliance retailers, several
19 utilities, and we are also working with recyclers, the
20 Department of Toxic Substance Control and Integrated Waste
21 Management Board, to ensure that the recycling element runs
22 smoothly for consumers. These types of partners will be
23 providing us things like website support, marketing, design
24 assistance, reproduction of documents, distribution,
25 consumer outreach, different kinds of reporting, sales

1 information, and of course sales representative training.
2 This is going to be very important for us because a lot of
3 the interface with consumers is not going to be necessarily
4 done by the Energy Commission, but actually done by the
5 retailers themselves, so groups like Sears and Home Depot
6 become very important partners because they are going to be
7 in direct contact with a lot of the consumers. Question?

8 AUDIENCE: Will you be announcing who the partners
9 are --

10 MS. WHITE: Yes.

11 AUDIENCE: -- on your website?

12 MS. WHITE: Yeah. We are going to be providing a
13 notification of all our partners. We are going to be
14 particularly trying to provide information to consumers on
15 what those providers will be able to give the consumers, for
16 example, Sears can do a delivery of the new appliance and
17 haul away and guarantee of recycling of the old appliance,
18 and provide that documentation to the consumer. It is
19 almost like a one stop shop, but it is actually two stops --
20 you purchase the appliance, and then they deliver it and
21 give you all the documentation. We are hoping that if we
22 can get some of the other major retailers involved, that
23 they too will be able to provide those kinds of services.
24 The goal is to have it be as straightforward a program for
25 consumers as possible, while still meeting all of the tenets

1 defined by the federal government and the State of
2 California, to get these old appliances out of the system
3 and handled properly.

4 We are also going to be having a third-party
5 contract because we expect there -- there is going to be
6 quite a volume of interest in the rebates, these rebates are
7 also going to be offered over specific periods of time, and
8 so we will not be able to ramp up staff here; to do that, we
9 need some really skilled individuals to do so.

10 In terms of eligibility for consumers, we have
11 specified in the guidelines some of the requirements for the
12 consumers in order to be able to claim a rebate in
13 California. First and foremost, you have to be a California
14 resident, second, you need to purchase from a California
15 retailer, and you need to do so within a specified purchase
16 period. Yeah, we have had a lot of calls about retroactive
17 rebates, "Gee, I purchased an appliance two years ago, can I
18 get my rebate?" No. We are going to be very clear on our
19 webpage when the rebates are going to be valid, and this is
20 something consistently done throughout all types of rebate
21 offerings. You can only qualify during a particular period
22 of time and you are disqualified if you purchase outside of
23 that. I will get to that, and I will talk a little bit more
24 about the period that we are considering here and how we are
25 approaching it.

1 In terms of our other specifications for consumer
2 eligibility, you have to actually buy a qualified new
3 appliance, not a re-used one, not a refurbished one, it has
4 got to be a qualifying new appliance, and I will talk about
5 what qualifies as an appliance. And it has to replace an
6 appliance of the same type. So you cannot get a
7 refrigerator to replace a room air conditioner sort of
8 thing, you need to be able to get a refrigerator to replace
9 a refrigerator. You have to recycle the replaced appliance
10 and provide documentation of that, and I will talk about
11 that in a bit. And then, you need to be able to claim your
12 rebate within 30 days of the purchase of the appliance.
13 Now, this is very important for us because we need to be
14 able to track and provide accurate information to other
15 potential participants in the program what monies are
16 available. And this is our way of trying to ensure that we
17 can control over-subscription, because we do not want to
18 have a lot of disgruntled people who go out, buy a lot of
19 appliances, thinking they will be able to get the rebates,
20 and folks sit on their applications for those rebates too
21 long and we run out of funds. Yes, yes, and this gets to
22 the 30 days of purchase -- in our discussions with
23 retailers, most will deliver within three days, and if they
24 do the haul away, and they are approved to give you the
25 proper documentation, you get that documentation within

1 three days. The actual appliance, then, becomes the
2 responsibility of the retailer who is participating in our
3 program to actually get recycled properly, and that is one
4 of the reasons we are trying to work out these partnerships
5 with retailers who can help do the delivery and haul away,
6 to assist consumers with these kinds of activities. The
7 appliances that are eligible, of the 10 categories that DOE
8 defined, we felt that in California the most reasonable
9 would be able to offer the greatest opportunity for
10 consumers to participate in this program, were to include
11 clothes washers, refrigerators, and room air conditioners.
12 Now, it is not every clothes washer, every refrigerator, or
13 every room air conditioner. In terms of the clothes washers
14 and refrigerators, they need to meet three criteria; they
15 have to be certified to the California Energy Commission.
16 In California, we specify minimum efficiency requirements
17 for all appliances. If the appliance is not certified to
18 the State of California, California Energy Commission, as
19 meeting those minimum requirements, it is not legally
20 supposed to be sold in the state. So that, at the minimum,
21 has to be the case. DOE specifies, in order to be eligible
22 for a rebate, it has to be Energy Star listed, well, that is
23 a subset of those that are certified to the California
24 Energy Commission. And then, for clothes washers and
25 refrigerators, as I said, we are relying on the Consortium

1 for Energy Efficiency Super Efficient Home Appliance
2 Initiative. The reason why we are doing this is we took
3 example from many of the utilities in California and the
4 types of rebates that they are offering. In particular, for
5 clothes washers, Tier 2 or greater. For refrigerators, Tier
6 2 or greater. This still provides a significant list of
7 available models with many different price points that
8 consumers can choose from, and this was the goal. We wanted
9 to be able to use these rebates to significantly help the
10 state achieve some of our energy efficiency goals, and
11 provide that incentive to consumers to buy the most
12 efficient appliance to meet their needs, and to ensure that
13 that offering is a pretty significant list. And when you go
14 through and look at these lists of clothes washers,
15 refrigerators, and room air conditioners, you see it is a
16 nice selection. Now -- we are talking about a couple --
17 just a second -- we were asked how many within these
18 categories. For room air conditioners, it is about 900; for
19 refrigerators, it is around 600; for clothes washers, I
20 think it is around 300 or 400, so a really good selection
21 and various price points, as I said.

22 Now these criteria must be met by the
23 manufacturers no later than December 15th, 2009, in order to
24 be included in our list, which we will be publishing no
25 later than January 1st, 2010. We will make it available on

1 our website with all our retail partners, with our utility
2 partners, and so on.

3 AUDIENCE: Will the list be limited to those that
4 --

5 MS. WHITE: Yes. Our list will be limited to
6 those that satisfy all three criteria, yeah.

7 AUDIENCE: [Inaudible].

8 MS. WHITE: No. Because we need to be able to get
9 the information out to retailers, and I will talk about when
10 we are planning on launch, and we need to be able to ensure
11 that consumers can start planning for these purchases, we
12 cannot continually update this list during the program.
13 Once we finalize that list January 1st, that is going to be
14 the limited selection. Now, the reason why we have done the
15 appliance selection the way we have, we have considered the
16 types of appliances California has purchased, where they
17 purchase them, these are pretty ubiquitous types, everybody
18 needs a refrigerator, everybody needs a clothes washer, and
19 many regions of the state need air conditioners. We have
20 other ARRA programs that are addressing large HVAC systems;
21 we did not have anything that was addressing room air
22 conditioners. So we are using this program to help address
23 the room air conditioners, which were a need that had not
24 been met through other ARRA programs. Other ARRA programs
25 deal with things like water heaters and solar units, and

1 things like that. This is the only program that can address
2 some of these other appliances. We wanted to look at the
3 benefits of recycling and early retirement and try and get
4 as big a bang for the buck as we can. And, in particular,
5 with refrigerators and with air conditioners, and the
6 refrigerating stuff they use, the fact that we can get some
7 of the older units out of the system that may be leaking or
8 using more hazardous or more potent greenhouse gas emitting
9 refrigerants, and replace them with better models, that was
10 an added benefit. And we also wanted to look at the costs
11 and the cost differentials between non-compliant appliances
12 and a compliant eligible appliance, and to provide a rebate
13 offering that really addressed that differential and
14 provided the incentive that would make it easier for someone
15 to decide, "I want to choose that energy efficient appliance
16 versus this other."

17 I want to focus on the recycling of the
18 appliances, in particular here. And this is a really
19 important issue for the State of California. We have for
20 years trying to address the issue of proper handling of
21 certain types of materials that are in appliances,
22 particularly toxics and like mercury and PCBs and things
23 like that. We have established programs through the
24 Integrated Waste Management Board and through the Department
25 of Toxic Substance Control to try to properly handle and

1 dispose of those appliances to the extent possible, recycle
2 all of the metals, things like the steel and the plastics,
3 whenever possible, and to keep those things out of our
4 landfills. In addition, EPA has what they call the
5 Responsible Appliance Disposal Program; it is a voluntary
6 program, nationwide. They have many utility partners,
7 including several here in California. Our investor-owned
8 utilities such as PG&E, Southern California Edison, San
9 Diego Gas & Electric, SMUD is a participant, City of Palo
10 Alto and Burbank, and to date, Sears happens to be the only
11 retailer, but they hopefully will not be the last. And in
12 particular, this program certifies that these folks will
13 voluntarily dispose of appliances that they are removing
14 from residences in a responsible manner, and recycle them
15 when appropriate. We are, as I said, coordinating with our
16 partners, DTSE and Integrated Waste Management Board, to
17 make this part of the program as convenient for consumers as
18 possible. As I said, we will be trying to work with people
19 in the other retail stores to see if they can catch up with
20 folks like Sears. We are going to make sure that consumers
21 know who is a part of these programs and who is not, and
22 what they can do for them, and then to ensure that those
23 retailers can provide the appropriate documentation to
24 consumers. Yes?

25 AUDIENCE: If a consumer buys an appliance from

1 not one of your partners, how will they go about getting the
2 documentation that has that retail [inaudible] recycled?
3 Are they going to be able to do that?

4 MS. WHITE: Yes. The question was how do you get
5 the documentation if you do not buy from our retailer that
6 is one of our partners. And I am glad you asked the
7 question because I kind of skipped over this coordinating
8 what partners, DTSC and Integrated Waste Management Board.
9 What we will be provided is information on recyclers who are
10 certified to properly dispose of appliances listed on the
11 sites under the California Appliance Recycling Program, the
12 red hyperlink here is that list will be ensuring that that
13 link is on our website, directing people to DTSC's list.
14 The list is extensive and there are recyclers all throughout
15 California. We are going to be working with the Board and
16 DTSC to make sure that those recyclers get documents that
17 they can use and hand back to consumers so that they have
18 got a legitimate receipt for having dropped off that
19 appliance. We are also working with associations like the
20 American Recyclers Association, ARCA, and JACO, they tend to
21 have many representatives throughout California and we will
22 be working with them as the umbrella organizations to ensure
23 that their memberships know the types of requirements that
24 we have.

25 Now, there are some program restrictions, these

1 are not really negotiable, really, because they are just the
2 facts of the matter here. The funds are limited.
3 California was only granted \$35 million, and we do not have
4 any money to backfill over subscriptions, so the rebates
5 will be given on a first come, first serve basis. So as
6 soon after the rebate period starts, we are encouraging
7 people to get their documentation together, and submit those
8 applications to California. We are hiring a third party to
9 process those claims as quickly as possible, and verify the
10 legitimacy of those claims, and to get the checks out as
11 quickly as we can. Yes, ma'am?

12 AUDIENCE: Will you be able to provide consumers
13 with some type of update --

14 MS. WHITE: I will get to that in just a moment.
15 The other thing that we are requiring is, to ensure that we
16 have as broad a participation as possible, we are limiting
17 the rebates to one appliance from each category per valid
18 California resident. The appliances need to be installed.
19 This is a requirement to demonstrate that the old appliance
20 was replaced. It is kind of a no brainer. The purchases
21 outside the offer period will not be honored, so if you buy
22 it last year, or this month, you buy it two months after the
23 rebate period, you are disqualified. Purchasers must allow
24 access to possible inspection. Now, this gets to a
25 requirement that we may have to institute to address product

1 use and waste. We might be the ones that do the
2 inspections, we may have to rely on utility partners, and we
3 may be able to rely on retailers. That is an aspect of the
4 program we have not fully defined, but in the event that it
5 is required to ensure that we can verify that the rebates
6 were legitimately granted to eligible recipients, that has
7 to be a component of our program.

8 Now, in terms of the claims, the guidelines
9 specified those things that may be on the documentation, the
10 types of things that may be on the rebate application. We
11 tried to think of everything that we possibly could that we
12 may have to include on that application, and granted, not
13 all those things may be included, but they may. The other
14 thing that we are going to be requiring is a proof of
15 recycling, and we have listed all the things that may be
16 required on that document. Again, maybe not all of it, but
17 certainly we needed to be able to define the possible scope
18 of requirements on those forms. We will be requiring either
19 a copy of an original receipt, or an original rebate
20 receipt, and the reason why we will be requiring an original
21 rebate receipt is some of the retailers will have the
22 capacity to offer that to a consumer, and if you give me a
23 rebate receipt, I do not want a copy of it, I want the
24 original. If you can only give me the original receipt,
25 then a copy may be fine, but the copy has to be able to

1 define where you bought it, how much you paid, what model
2 you bought, and when you bought it.

3 AUDIENCE: Excuse me. Court Reporter, would it be
4 possible to have the people with questions use any of these
5 mics which are live?

6 MS. WHITE: I have been trying to repeat them as
7 we go.

8 AUDIENCE: Very good. Okay, thank you.

9 MS. WHITE: She asked could we define a rebate
10 receipt. We are working with our retail partners to make
11 sure that that can be done, and we will be providing that
12 information on our website. Our rebate receipt is
13 essentially if you go to someplace like Sears, for example,
14 and you want to be able to have a rebate receipt for Kenmore
15 Dishwasher model XYZ, they will actually be able to define
16 on a receipt that that particular item, not your entire list
17 of purchases, but that particular item, what you paid for
18 it, and the tax you paid on it, what date you bought it, and
19 give you the appropriate information, so it is basically
20 giving you just a receipt for the item that is going to be
21 rebated, not your entire list of purchases.

22 AUDIENCE: [Inaudible]

23 MS. WHITE: This is going to be -- she was talking
24 about a point of purchase rebate, this is actually a mail-in
25 rebate program, it is not a point of purchase or instant

1 rebate program. The reason for that is because of the
2 documentation we need to have in order to satisfy the claim
3 is legitimate and meets the tenets and requirements of the
4 program. We may also be requiring a purchaser's utility
5 bill. This would help us to validate residency. The other
6 thing that we may be asking for is a UPC label or its
7 equivalent, some kind of marker from the packaging itself
8 that, if you take that off, you cannot after you get the
9 rebate return the appliance. This may not be needed,
10 especially if a retailer does the delivery installation and
11 haul away of the old appliance, they can provide you
12 necessary documentation on the forms they give you.

13 Now, in terms of the process itself, it is kind of
14 straightforward. But, again, a lot of the details will need
15 to be worked out as we go through our contract process. But
16 what we are looking for is a company that can receive these
17 documents, the claims, the application, document, the claim,
18 and to be able to verify all of the documents. We will want
19 them to be able to record and track those claims, provide
20 information to consumers on the status of their claim,
21 possibly through like a 1-800 number, or a website, or
22 something like that. We want the rebate processing firm to
23 be able to provide us information on the valid claims,
24 either have them pay in advance, and we reimburse them in
25 arrears; if that is not possible, we will be then working

1 with the State Controller's Office to have those rebate
2 companies provide us with the appropriate documentation for
3 all valid claims and the backup material for them, and the
4 State Controller's Office would issue the checks. Now, the
5 process is going to be in place, of course, by shortly after
6 the first of the year, after we have awarded the contract
7 and gotten the processes in place, all of the calling
8 numbers and things like that will be available, websites,
9 before the roll-out period, and we will provide as much
10 consumer assistance as we can through those vehicles so that
11 a consumer can understand where their claim is, how to make
12 the claim, where we are in terms of the availability of
13 funds, what the actual rebate period is, and have the
14 opportunity to ask a real person questions or get
15 information.

16 AUDIENCE:

17 MS. WHITE: The question was, would the documents
18 and information and the calling number be available in more
19 than one language. And we have had that request made of us,
20 and we are going to be trying to address to some degree in
21 the RFP the request of potential bidders, that if they can
22 offer that service, to let us know. We thought that was a
23 very good idea and we would like to take advantage of that
24 possibility. If we can, we will do so, and have
25 particularly the rebate processing firm help us with that.

1 Now, in terms -- and I will get into a lot of the schedule
2 stuff here in a little bit -- but one more question, yes?

3 AUDIENCE: Sorry, back to rebate claims.

4 MS. WHITE: Back to rebate claims.

5 AUDIENCE: You had mentioned that there would be
6 forms that you are developing and those will be available to
7 utilities to help employ them, as well as retailers.

8 MS. WHITE: The question was, would the forms be
9 available to retailers and utilities, and we are going to
10 make them available to all of our partners, particularly
11 since the partners have, in most part, pledged to help us
12 with consumer education and outreach. So, of course it
13 makes sense to make sure that they have the documents
14 consumers would need to make the claims, to understand what
15 needs to be included in the claims, and so we are definitely
16 going to be asking our partners to help us develop some of
17 those forms, we have already begun those discussions
18 starting in September, and we are hoping to complete those
19 forms shortly and get them out to people. The issue, of
20 course, is particularly with the retailers, giving them
21 enough lead time to help us with the document reproduction
22 and getting them into their retail stores and such. Yes?

23 AUDIENCE: I assume those forms will also be on
24 your website?

25 MS. WHITE: They will be on our website -- with

1 instructions. We are trying to make it available in as many
2 venues and different vehicles as we can. The main
3 repository for all of this, of course, is going to be our
4 website, but we will be branching out with the help of
5 others. Yes?

6 AUDIENCE:

7 MS. WHITE: The question is, would the consumer
8 have to apply for a rebate to the utility first, and then
9 ARRA. In fact, we are envisioning it, because it augments,
10 it does not supplant, it is not in place of, it is not
11 sequential to, a consumer can develop an application for the
12 ARRA rebate, the utility rebate, the retailer rebate, the
13 manufacturer rebate, all at the same time if they want.
14 Because we are not basically saying, "You only get an ARRA
15 rebate," we are actually trying to get people to take
16 advantage of as many rebates as possible because ours is to
17 be in addition to, not to replace or displace, and the goal
18 is, if a consumer goes out and buys a product, say in SMUD's
19 territory, and SMUD is offering \$100 for a refrigerator, and
20 we are offering \$75 for a refrigerator, well, they get them
21 both, and they can apply for them at the same time. Can we
22 hold that comment until later? And then that way,
23 especially when we start the comment period and you have
24 things that you want us to consider, because I am not going
25 to be able to repeat those. The questions, as we go

1 through, are easier. I would like you to actually stand up
2 to the podium and make sure that people on the phone can
3 clearly hear us and that we can get the recording.

4 Now, the other thing that we did was do an
5 environmental review of what we were proposing to do in
6 terms of our program. Unlike some of the other ARRA
7 programs where the guidelines basically provide a framework
8 and the specific activities that we will be funding will be
9 subsequently reviewed under CEQA, we are basically defining
10 an entire program and needed to define what we think the
11 overall impacts of that overall program are from an
12 environmental standpoint. And this is the project. Our
13 program is the project.

14 As we went through what we were trying to
15 accomplish, the number of appliances we are hoping to
16 replace, how we are proposing the old appliances are
17 disposed of, and the potential hazardous materials within
18 them are handled, the types of potential energy savings,
19 perhaps replacing 400,000 appliances could result in using
20 information provided us by DOE on the formulas to make these
21 calculations, as well as some of our own calculations and
22 information from Air Resources Board, we actually came up
23 with a pretty good environmental benefit picture as a result
24 of this program. In addition to stimulating the economy, we
25 are looking at being able to reduce energy demand by 32

1 gigawatt hours a year. You know, that is not huge, but it
2 is a good amount. And as a result of that, reduced CO₂ by
3 .015 million metric tons, a significant reduction in
4 criteria pollutants per year, look at particularly with the
5 number of washing machines we are hoping to replace, also
6 get a water demand benefit by reducing water demand
7 associated with laundering by 945 million gallons a year.
8 Now, that is nothing to shake a stick at; that is a great
9 kind of a response from this kind of program.

10 We are also working through existing recycling
11 programs to make sure that the old appliances that are taken
12 off the grid are in fact disposed of properly and, where
13 appropriate, the types of materials within them are
14 recycled, cleaned up, and re-used. Yes?

15 AUDIENCE: Just a quick question. So these
16 numbers are in addition to the existing appliance rebate
17 programs through utilities?

18 MS. WHITE: Yes, the question is, are these
19 numbers in addition to those types of benefits being defined
20 by existing programs. And, yes, we are defining them as in
21 addition to, because we are hoping that we are having a
22 positive increase in the number of participants in these
23 kinds of programs, that we are providing that extra
24 incentive to get the folks that are on the fence that maybe
25 would not participate in the rebate program, go out, by an

1 appliance, an energy efficient appliance, instead of a less
2 efficient appliance, and have these kinds of positive
3 effects.

4 AUDIENCE: Sounds great. From a utility point of
5 view --

6 MS. WHITE: If that is a comment, can I ask you to
7 save it until the end? Because I am almost done.

8 AUDIENCE: Can I ask just if you have that ratio
9 of increase is?

10 MS. WHITE: In terms of what we are looking at --
11 the question is, do we have an idea of what that ratio is,
12 and in the Negative Declaration, we talk about the current
13 percentage of the market share that Energy Star products
14 have in California, and what we are looking at is increasing
15 that market share. For some of these appliances, and I will
16 have to look up the exact number for you because I do not
17 have it off the top of my head, but we are -- in the funding
18 opportunity notice provided by DOE, and actually on DOE's
19 website for their Energy Star Program, they talk about the
20 different market shares nationally and in each state of
21 Energy Star appliances within current purchases. And we
22 were given 2008 numbers, the market shares that Energy Star
23 products have in California -- there are thousands of
24 appliances purchased in California every year, millions,
25 actually, and the market share for certain appliance

1 categories that we have chosen is not that high, you know,
2 25-30 percent, and we are hoping to get it closer to 40, and
3 have the number of less efficient appliances in the market
4 share go down. And so that is what we are shooting for,
5 that is our goal and objective for the program, and that is
6 why we are talking about these things being in addition to.

7 Now, as I said, the overall federal programs
8 duration is through February 17, 2012, or until funds run
9 out. All the reporting and the documentation and all of the
10 different activities have to be concluded by February 17th,
11 2012. We are looking at initiating our really offer period
12 some time in the spring of 2010, and as our guidelines
13 specify, we are looking at one or more periods, and these
14 periods would actually have a start and an end date, the
15 idea, again, is to try and control over-subscription, ensure
16 that we have an opportunity to look at the effectiveness of
17 the program that we have defined, make any kind of
18 adjustments, if there is money left over, possibly offer
19 another rebate period, make any kinds of tweaks to the
20 program that are necessary, or, in the event that things are
21 running great, but we still have a little money, we may
22 extend the one period. And the reason why I want to give
23 you these examples is because of your concern about the 30-
24 day limit for claiming a rebate, and in particular, so let's
25 say we offer a purchase period March 17th to April 22nd in the

1 spring, and we have got our three appliances defined, we
2 have got our model list out there for everybody to know, we
3 have got information on who our partners are, what services
4 they can provide, we have information on all of the
5 different recyclers out there that consumers can go to after
6 they purchase the product, get it installed, and take the
7 old one out. Essentially, then, we could actually be
8 processing claims any time between March 17th and May 22nd, so
9 the day that we actually start the program, if somebody gets
10 their stuff together and mails in something postmarked March
11 17th, well, we can start processing that claim. If they
12 cannot get things in place, they do not purchase it until
13 April 22nd, and they cannot get everything together until May
14 22nd, get that postmarked and send it in to us, then we will
15 be processing that one. But the idea, because funds are
16 very limited, and one of the reasons why we are also
17 defining a very specific claim period, is we really want
18 people to understand it is first come first serve, if you
19 dilly dally, you really may lose out on the opportunity to
20 get the rebate.

21 AUDIENCE:

22 MS. WHITE: In terms of how soon we are going to
23 be able to issue the check to the consumer, that is the
24 question, right now we are hoping that, as we go through the
25 contract process for the rebate processing firm, one of the

1 criteria is going to be how quickly they can actually
2 process a very high volume of claims in California for
3 products we have defined under the program criteria, how
4 quickly they can validate the claims, and all of the
5 documentation associated with it. Now, we have had all
6 sorts of discussions with different rebate companies and
7 they are all over the board in how long it takes them to
8 actually process claims, some as few as three days,
9 depending upon how much you require, some as long as two
10 weeks, and then of course it will also depend on whether or
11 not they can issue the check, or we have to wait until State
12 Controller issues the check, all of that before the rebate
13 period has even started will be defined and will be defined
14 as a result of the contractor we choose. The goal is to
15 choose the highest qualifying, least cost contractor that
16 can in fact perform to meet the goals and objectives of the
17 program, including speed and accuracy and documentation and
18 trackability, all of those things are going to be in the
19 requirements. And I am sure I am scaring a few of those
20 rebate companies on the WebEx right now, but we are going to
21 be asking a lot of our partners, and particularly a rebate
22 processing firm. In part, because we do not have a choice.
23 We need to be able to meet the tenets of the program and we
24 also want to make it as beneficial to the consumers as
25 possible so they can get their rebates as quickly as

1 possible.

2 In terms of our schedule, now today's meeting,
3 talking about the negative declaration guidelines is
4 intended for us to get some information that we may be able
5 to incorporate in any kind of changes that would be
6 required. We will probably be more able to address some of
7 those comments and concerns in terms of the contract
8 process. We are hoping to adopt the Negative Declaration in
9 the guidelines on the 16th of December. This is critical
10 because we really cannot start the contract process until
11 those guidelines and that negative declaration is in place.
12 So we are going to be looking to, in order for us to start
13 in the spring, getting those kind of structural program
14 documents approved and in place so we can really start
15 implementing the rest of the program. Our target date is
16 December 16th. What we hear today will, of course, influence
17 our request for proposals on the rebate services; we hope to
18 publish that on the same day that we get our program
19 approved, but that is in an ideal world. So we are hoping
20 miracles do happen in California and that we are able to do
21 this in a very timely fashion. January 6th is our currently
22 targeted deadline for bids on the RFP. We recognize that
23 this is a very tight timeframe, but we are directed to start
24 this program as soon as possible, whether under federal
25 objectives or the objectives of our own state

1 administration. And we want to be able to have the contract
2 in place in February so that we can actually roll out the
3 rebates in March. Our tentative start date is, of course,
4 Saint Patrick's Day, we all think green, it should be fun, I
5 am looking forward to being able to work on the promo part
6 for that start date, it should be a good time.

7 AUDIENCE:

8 MS. WHITE: Oh, they want to know what our
9 schedule is compared to other states. Well, there are some
10 states that are actually able to just do their programs
11 right now, and they will be having their offerings before
12 Christmas. There are others who will be doing theirs in the
13 summer of 2010, maybe a little later. As you may be aware,
14 and this does affect our schedule quite a bit, not every
15 state runs a rebate program. California, the State of
16 California, does not run a rebate program, we are starting
17 from scratch. We are trying to work with our utility
18 partners and our retail partners to make sure we do not step
19 on toes, that we learn from what you have done, that we
20 compliment your programs, but, again, we are creating a
21 program from start and other states are having to do the
22 same, especially some of the smaller states and they are
23 finding it a real thrill.

24 AUDIENCE: Who are the other states that have
25 started?

1 MS. WHITE: The question is what other states have
2 started and, you know, to be honest with you, about the
3 middle of September, I stopped really paying attention to
4 the other states because we had to get California's program
5 really cranking. So on the DOE website, they have much more
6 information about the status of the implementation of the
7 program overall, in almost all the states and territories,
8 so I would encourage you, of course, if you are interested
9 in that, to take a look at what DOE has.

10 Specific next steps. I am very interested in
11 getting feedback from folks and I want to remind those who
12 are listening remotely, we will be getting to your questions
13 and comments after the presentation, it has just been easier
14 to accommodate some of the discussions here directly with
15 those who are in attendance here. But we do want to hear
16 your comments and get your public input. We have requested
17 that there be comments submitted to us already for the
18 topics we were covering today in the workshop. We did
19 receive some questions, which I tried to address in the
20 presentation, but if there are more, certainly we are very
21 interested in hearing those comments and questions. We
22 would also very much like to have DOE's approval of our
23 comprehensive plan, which we had submitted in October. They
24 are expecting that they will be able to provide final
25 approvals for all the plans no later than the end of

1 November. It could happen tomorrow, but it also could not
2 happen until the end of November. We are looking to approve
3 the structural documentation for the program on the 16th of
4 December, as I discussed, our environmental determination of
5 no significant impact, the Negative Declaration under CEQA,
6 and our California State Energy Efficient Appliance Rebate
7 Program Guidelines. If that is actually accomplished to
8 issue the solicitation right on the heels of that, in an
9 ideal world, after the Business Meeting on the 16th, we would
10 be able to publish that RFP. If we are not able to
11 accomplish that, those dates that I talked about here, of
12 course, for the deadline bids and the contract and all that
13 stuff, and the tentative date, of course, will also slip.
14 But that is why this is so imperative that we can get that
15 solicitation material out and get those other documents
16 approved. And then, as a result of the solicitation, we
17 will be finalizing the actual claim process and all of the
18 elements of the form, get those documents up on the Web, get
19 that information out to our partners, try to start the
20 consumer outreach and development of the documents and
21 distribution to retail outlets and so on and so forth.

22 Now, for additional feedback, as part of our
23 Notice for Consideration of Adoption, we have additional
24 comment period. We are asking that people provide us any
25 kind of comment or feedback on the guidelines and the

1 environmental documentation no later than December 11th,
2 5:00 p.m., and that those comments be directed to our docket
3 for this proceeding. This proceeding is the overarching
4 American Recovery and Reinvestment Act Proceeding, so we
5 have been trying to take advantage of all of the different
6 types of input, have a one-stop-shop for all ARRA-related
7 things, and that docket number is 09-0II-1. So that I know
8 that your comments relate to my program, in the subject line
9 or first line, or what have you, if you could please specify
10 ARRA SEEARP, that would be very helpful. And, of course,
11 you can e-mail them, or hand deliver, or mail to our Dockets
12 Office. Now, specific information, I provide these things
13 to folks so that you can look at these sites. Now, if you
14 have some additional questions, if you would like copies of
15 documents, if you would like to follow-up on certain
16 requirements for the recycling program, if you are looking
17 at the federal website and where they are at with their
18 recovery efforts and programs like this, if you have general
19 questions about what California is doing, you can e-mail us
20 at appliances@energy.state.ca.us.

21 Now, for questions and comments, what I would like
22 to do is, as I said, for those here in the room, especially
23 for comments, if you could go to the podium and ask your
24 questions or make your comments, so we can have everybody on
25 the phone here, it would be appreciated. And then I am

1 going to be looking to those who have called in, if you
2 could use your raised hand function, I would be able to
3 unmute you, get you a teleconference number, and we can
4 start the questions and comments. Are there any here?

5 There is and we are waiting for her to come up to
6 the podium.

7 MS. WYNN: This is Cheryl Wynn with Southern
8 California Edison. I had a question on the slide where you
9 were showing the energy savings, and I know that the
10 utilities also work with the Department of Energy in terms
11 of the sales of Energy Star qualified appliances in
12 California. I just wanted to make sure that we are not
13 double counting in those results.

14 MS. WHITE: Right. This is where some of the
15 reporting, especially with our partners, is going to be very
16 important because we have already had some discussions with
17 your utility and the other utilities about needing to get
18 information on the effectiveness of your programs, because
19 we have to demonstrate to the Department of Energy that our
20 program, in fact, augmented yours, was supplemental, that
21 these are in addition to types of savings. Now, if it turns
22 out that there is double counting, we will need to work with
23 the utilities, especially, to identify what the effects from
24 the marketplace actually were, and how those can be
25 attributed to either your programs or our programs. How we

1 actually do that is not yet defined. I am sure it will end
2 up having to evolve over time as we look at the specific
3 reporting requirements that DOE is going to inform us of.
4 We do not have all that information right now. It actually
5 will be given to us when we are notified of our award. But
6 we are aware that there could be an issue of double
7 counting.

8 MS. WYNN: Okay, and then most of my questions
9 relate to more of the rebate process. I do also have
10 headaches from processing rebates, so I totally understand
11 what you are going through right now. I wanted to start
12 with the list of qualifying models in that you are not going
13 to update that list after January 1, yet the program is
14 going to continue through -- I believe it is 2012. So you
15 may want to rethink that. I can see also with having rebate
16 periods or promotional periods, I am surprised you have not
17 gotten any feedback from retailers. I know from the utility
18 standpoint, when we would have limited funding for our
19 rebate programs, that was a really big issue with them
20 because they said, "You guys are having funding for rebates,
21 they're on again, they're off again, we can't really support
22 those activities with our advertising plan, and so we really
23 don't want to play if that's going to be the case." Another
24 comment that I have on the process is the 30-day turnaround
25 period; although I like that 30-day period, I just do not

1 know how practical it is when you are requiring that
2 customer to make a purchase, to have it delivered, to have
3 it recycled, and then maybe there is an inspection prior to
4 payment of a rebate. Should I keep going?

5 MS. WHITE: Yeah, please.

6 MS. WYNN: My other comment is, on the once a
7 customer applies for a rebate, and the appliance is on the
8 CEC list, but it is not on the utility list, so you may want
9 to think through that, and then also, once a customer
10 submits their application, I am sure they want to know
11 exactly what is the status of that payment, whether or not
12 -- I know as a consumer, I would be concerned if I had no
13 idea whether or not I am going to get that incentive if
14 there is no way that I know whether or not my application
15 has been received and the funding is there to pay for it.

16 MS. WHITE: I want to at least respond to a couple
17 of the comments. The first is retailers. In fact, in our
18 meetings that we have had with retailers, because the funds
19 were limited, all of the major retailers recommended that we
20 choose a very distinct period, no longer than a month.
21 Right now, we are looking at possibly six weeks, but it
22 would be on a first come, first serve. They would prefer a
23 much smaller period of time because of the issue of over-
24 subscription and what you are talking about, not knowing
25 whether or not they have the funds available for a purchase

1 they have made, and that they want to get a rebate for. So,
2 although we have talked about an example of that period, you
3 know, that is probably the longest, that five-week, we would
4 consider because it is very important for us to make sure
5 that we can reassess, you know, define an activity, get as
6 many people to participate, control over-subscription, have
7 time to evaluate whether or not that program did what we
8 needed it to do, if there are funds leftover, what we would
9 like to do, maybe with a subsequent offering or something
10 like that. But we do not know what the effects of this
11 program are going to be. We have a lot of requirements, as
12 you know, and those requirements are to some degree actually
13 required as part of the program, especially on
14 accountability, and documentation, and transparency, and
15 validity, and all that kind of stuff. The recycling issue,
16 we are hoping to deal with and make as expedient for
17 consumers as possible, but that, too, is -- from what we see
18 in California -- it is really a requirement because you need
19 that appliance off the grid permanently, but you do not want
20 that appliance in the trash. So you really need to make
21 sure it gets recycled. And then, in terms of being able to
22 track the actual claim on behalf of the consumer, those are
23 some of the things that we are really looking to rebate
24 firms being able to do, who choose to bid, because they are
25 the ones who will know where the claim is in terms of

1 review, and many of these firms do offer 800 numbers, they
2 do have people that can, you know, man different kinds of
3 call centers, they handle this kind of volume, they have the
4 program set up that would allow them to track, and so we are
5 looking to find the right rebate processing firm that can do
6 that for us, so the consumer really knows where they stand.
7 We will be trying to make sure that our website and any
8 other websites are linked with as current of information as
9 we can possibly get, even if that means that rebate
10 processing firm gives us reports daily. We do not want to
11 be in a situation where we have got a Cash for Clunkers
12 problem on our hands. Yes, Janis?

13 MS. ERICKSON: Janis Erickson with the Sacramento
14 Municipal Utility District. First, I want to say this is a
15 really nice job. I know you were worried about this when we
16 met at the Energy Star meeting and I think it has come
17 together --

18 MS. WHITE: Petrified?

19 MS. ERICKSON: Yeah, that deer in the headlights
20 look was what I remember. But it looks like this has come
21 together pretty well and you have tried to keep it at a very
22 high level. I do have a couple of concerns, I think they
23 are almost all able to be worked on, and let me just
24 delineate those for you. First, as Cheryl said, the updates
25 to the appliance listing, since they are not going to

1 reflect the new models from January 1st, 2010 through
2 February 17th, 2012, I think that may be a real issue for the
3 manufacturers and for coordination with existing utility
4 programs. We have existing methods of keeping up with and
5 tracking the products list and I just would like for you to
6 reconsider how that might work and what we might do to
7 assist that getting better.

8 MS. WHITE: Actually, if I might. One of the
9 reasons why we were looking at more than one offer period
10 is, during that reassessment of the effectiveness of
11 program, what we were able to accomplish, and what was
12 occurring, is if we have to amend the guidelines, because
13 any change we would have to amend the guidelines to actually
14 implement, so in the guidelines we specify what the initial
15 requirements are for the program if, as part of the
16 implementation and the first run we find that we need to
17 make changes, then we can revisit the guidelines and amend
18 them. We, of course, have to do that through a public
19 process, we would notify everybody, we get language on what
20 the amendments are. So the reason we are trying to give a
21 deadline now is we have notified manufacturers, especially
22 those who are Energy Star listed, but not certified to
23 California, they need to at least be also certified to
24 California if they want to participate in our program. We
25 already have contacted them and there has been actually a

1 flurry of activity since we did that in September.

2 MS. ERICKSON: Good.

3 MS. WHITE: But we also know that, you know, this
4 program could run incredibly fast, and we have been told by
5 some consultants, depending on how you set it up, a program
6 with this little money, spread throughout the entire state,
7 could be done in less than a month. So we want people well
8 in advance of the launch, especially the retailers, to know
9 what inventory they have to have in the store for this March
10 date, and to educate their staffs. So they have asked for
11 that final list no later than two or three months in advance
12 of the launch. And we are trying to accommodate that. Plus
13 it also helps to let you folks know what that risk is going
14 to look like. But we can, if it turns out that we do not go
15 through the money as fast as some have said, have a second
16 offer period, update those lists, make any kind of
17 modifications to the structure of the program as necessary,
18 and then have a second offer. That is an option because we
19 do have so much time to actually run the overall program in
20 California, it does not have to end in California on, you
21 know, Earth Day 2010, if we have money left.

22 MS. ERICKSON: Yeah, and I understand your premise
23 and agree, especially -- and maybe I did not understand this
24 right -- is you are going to put the money out there for a
25 period that is fairly short, not the full time period?

1 MS. WHITE: Right. So the offer period would have
2 a beginning and an end. And then, after that end, we would
3 be able to evaluate how much money was committed and how
4 much money is left, and what types of appliances actually
5 were rebated as a result of the program, and then, if we had
6 money left, reevaluate the overall structure of the program.
7 Do we have to change the appliances? Maybe we only ever got
8 requests for refrigerators, maybe people do not want a
9 washing machine or room air conditioner, or March was a
10 really bad time to ask people to buy a room air conditioner,
11 I am not sure what the actual requests are going to be, what
12 the claims are going to be. So that distinct beginning and
13 end helps our retailers, it helps us then determine if any
14 subsequent changes over the remainder period of the program
15 need to be made.

16 MS. ERICKSON: Okay, that raises a new concern.

17 MS. WHITE: Oh, sure.

18 MS. ERICKSON: For utilities that are committing
19 to do marketing for this, if you run out of money and we are
20 still marketing and it causes us excessive costs to adjust
21 everything, so I remain concerned about that, how that might
22 work.

23 MS. WHITE: And what we are trying to do is make
24 sure that, around the end of the year, people know exactly
25 what is rebated, how long the rebates are going to be

1 offered, and educate their consumers on a first come, first
2 serve, and that in the event that funds are made available,
3 subsequent information will be also made available to
4 consumers about any later offerings, but --

5 MS. ERICKSON: We just do not want to tease them,
6 you know?

7 MS. WHITE: You do not want to tease them, but you
8 also do not want to give them undue expectations. In a
9 perfect world, we would not have the issue of over-
10 subscription, but I learned a lot in my discussions with you
11 and the retailers about that, needing to try -- because we
12 do not have any money to backfill for over-subscription --
13 put some boundaries on people's expectations. And so we may
14 not have done it perfectly, and if there are ways of
15 tweaking this to do it better, please give us some ideas.
16 But, so far, this is what we were able to bring together and
17 turn into the primordial ooze of the program.

18 MS. ERICKSON: Well, I will be interested to see
19 the marketing guidelines and what you get from DOE on the
20 fine tuning of everything.

21 MS. WHITE: Right.

22 MS. ERICKSON: Because I think that might become
23 an important and ongoing issue in customer satisfaction.
24 And then my last thing is, I wanted to talk about that
25 market share, perhaps maybe you and I could just chat or

1 like I will go in and try and look at the market share
2 ratios that you were using and see if I can determine what
3 that is, but if you just knew, then it would be great
4 because I have tried to predict what the impact of this
5 program is going to have on our program.

6 MS. WHITE: And the best place to go right now to
7 take a look at that, we actually have the funding
8 opportunity notice posted on our website and, in the
9 Appendices is where a lot of that information of that market
10 share is located, as well as information on all states and
11 the nation on DOE's website for the Energy Star program.

12 MS. ERICKSON: Okay.

13 MS. WHITE: And then, if you have any questions,
14 you know, they sent us a whole bunch of stuff to include in
15 our calculations for that.

16 MS. ERICKSON: Yeah, and then I am just going to
17 briefly say I support Cheryl on the other two things that
18 she mentioned, was that 30-day period, we do have an ongoing
19 -- a very successful recycling program that is part of the
20 DOE RAD, and things do not always go as fast as you think,
21 so --

22 MS. WHITE: While you are on that topic, how long
23 are your periods for making a rebate claim?

24 MS. ERICKSON: You know, for most customers, it is
25 probably well within the 30 days, but there are always going

1 to be some, and SMUD is very conscious of customer
2 satisfaction, and if they went through all of this, and did
3 all the paperwork, and then did not get that one, they would
4 be mad at us for the state program, and we do not want that.

5 MS. WHITE: Do you announce that on your website,
6 that there is flexibility if you do not make the 30 days?

7 MS. ERICKSON: We do not have your program
8 guidelines on there yet.

9 MS. WHITE: No, no, I mean in your program --

10 MS. ERICKSON: We do not have a 30-day deadline.

11 MS. WHITE: Oh, you do not have a deadline for
12 claiming -- okay, so for Edison, it is a whole year to
13 purchase and install. Okay.

14 MS. ERICKSON: Well, and currently the rebate
15 programs, I believe, none of us have a time where you must
16 replace, so our -- we went that route to start off with, but
17 have subsequently moved to where we have separate programs,
18 and most often you find that a customer does buy a new one
19 and recycle, and they use both our programs. But tying
20 those two together was a nightmare, so --

21 MS. WHITE: We were lucky.

22 MS. ERICKSON: We will see.

23 MS. WHITE: Yeah, we look at this as positively as
24 possible. I am sure the state is going to learn quite a bit
25 in how to run a rebate program.

1 MS. ERICKSON: That is good, it is just the -- and
2 we are probably pretty well set up, as is Edison and others,
3 to do the combination, or the marketing for the combination
4 program, but for refrigerators and for clothes washers -- I
5 mean, for room air conditioners -- the guidelines for
6 recycling clothes washers is a new thing for us.

7 MS. WHITE: Okay. Yeah, and in terms of those
8 guidelines, as I said, we have looked to the Integrated
9 Waste Management Program on the appliance recycling, the
10 California Appliance Recycling Program, the CAR Program,
11 which basically tries to get all light goods out of
12 landfills and to ensure that they are appropriately scrapped
13 and disposed of. Where their program allows for re-use, we
14 did not see that we had the flexibility for that.

15 MS. ERICKSON: Yeah, well, it does seem
16 appropriate and certainly we would support that, we just do
17 not have -- it is not as easy to us right now because we do
18 not have it all in place with clothes washers.

19 MS. WHITE: Well, I am hoping you can help us out
20 to the extent you can, certainly.

21 AUDIENCE: [Inaudible]

22 MS. WHITE: The comment was that, for Edison, they
23 do have a recycling program for the refrigerators, they
24 tried it for air conditioners, but to not much success, and
25 they do not know what the benefit of recycling the clothes

1 washers are. And, in fact, at least in the criteria
2 pollutants, we did not really count much in terms of the
3 recycling of the clothes washers, other than the amount --
4 and, actually, in all of the emissions -- the amount of
5 energy savings that is associated with that incremental
6 performance increase, up and above a non-Energy Star
7 product. So we are not looking at it from the standpoint of
8 the steel and plastic, but --

9 MS. ERICKSON: There is very little in PCBs is
10 what is left in a clothes washer, very little.

11 MS. WHITE: The issue with the clothes washer is
12 really getting those products properly recycled and not in
13 the landfill, and that is the goal of the Integrated Waste
14 Management Board's program, certainly. And then, to the
15 extent that Mercury or something like that is involved in
16 the switches, for those devices getting that properly
17 handled.

18 MS. ERICKSON: I just thought of another thing.

19 MS. WHITE: And, Mike, I will get to you in just a
20 moment, I know you are right there waiting patiently.

21 MS. ERICKSON: Sorry. One more thing, since you
22 are working with retailers on the pick-up and appropriate
23 recycling of all of these products, and we have existing
24 programs where we sometimes work with the retailer, and
25 sometimes do not, I wonder if you considered the impact on

1 the existing programs for doing it this other way.

2 MS. WHITE: No --

3 MS. ERICKSON: Because you might encourage the
4 retailers to work with the utilities, if they are in that
5 area, to coordinate the proper recycling because then our
6 customers losing out on the rebate that they might get for
7 participating in that --

8 MS. WHITE: Right. The information that we have
9 been getting from Sears, in particular, is fairly new. They
10 have, in fact, been working with their main recycling firm
11 to ensure that they can, based on our guidelines and the
12 requirements of the Integrated Waste Management Board and
13 DTSC, let us know what documentation they can provide, what
14 that form would look like, and how they could actually get
15 us the certification numbers. So we have just recently
16 found out that they are now negotiating with the recycler to
17 be able to do that, so this program is still evolving, and
18 the goal is to, as soon as we get that finalized, tell
19 everybody and say, "Hey, other retailers, please try and
20 catch up. And, by the way, make sure you're also hooked in
21 to the other utility programs," which I will do because I
22 know you guys are doing these things, we just have not
23 really gotten that far yet.

24 MS. ERICKSON: Part of your ongoing development is
25 consideration of the existing rebate programs.

1 MS. WHITE: Right.

2 MS. ERICKSON: And, again, customer satisfaction.
3 We do not want a customer to have bought one through Sears,
4 who is coordinating with the state program, and keeping
5 their customer from getting the rebate from the utility that
6 they are eligible for.

7 MS. WHITE: Right.

8 MS. ERICKSON: Thank you.

9 MS. WHITE: You bet. I am making Cheryl come up
10 to the microphone again. And, Mike, we have one more person
11 here inside the room that wants to make some comments before
12 I open up your mic.

13 MS. WYNN: I think Janis made a really good point
14 about coordinating, you know, working very closely with you
15 and what retailers you are talking with because we are also
16 working with some of the same retailers and we are working
17 with, you know, two key recycling vendors in the State of
18 California, that they could also be talking to you, so I
19 think maybe just to leverage, make sure that we effectively
20 are leveraging all our resources and, again, to maintain
21 that admin cost that you are trying -- we all should be
22 talking openly about what we are planning with this program.

23 MS. WHITE: It sounds like a very good
24 recommendation, thank you. All right, go ahead.

25 MS. FOX: Hi, I am Marcela Fox from PG&E. So I

1 had one more comment about the 30-day requirement for
2 application, and just to add some additional data to help
3 you. In the appliance recycling program for refrigerators,
4 we require that our contractor picks up the refrigerator
5 within 20 days, and if it is in a very rural area, it is 25
6 days. So that would make it a very very tight timeline for
7 a customer to send in an application if they choose to
8 recycle with PG&E's recycling program. And typically, every
9 once in a while we do shut down a rebate program, or we will
10 shut down maybe a measure in a rebate program, and our best
11 practice is that we give customers a 60-day notice, so we
12 give them 60 days from the moment that we notify customers
13 that the program has been shutdown, and that they can turn
14 it in, and I think so far it has worked fairly well, as long
15 as it is for a 60-day period. We have never done 30 days.

16 MS. WHITE: And the reason why we are trying to be
17 able to announce a start and an end with the caveat, first
18 come, first serve, is we may not have the luxury while the
19 program is running for that small period of time to get much
20 more heads up, that the end of the program is near. We are
21 looking at different ways that we can communicate the status
22 of the program, certainly websites, trying to get
23 information out, and notifications from our list serve, and
24 things like that, are ways we know we have the ability to
25 do, and then to leverage our partners' communication venues

1 and vehicles, you know, a lot of those details have not been
2 quite worked out yet.

3 MS. FOX: Right, I understand your challenge in
4 that, as well. In the past, we have had programs where it
5 was first come -- actually, our programs are first come,
6 first serve, it is just that we usually have the budget to
7 be able to cover all those issues.

8 MS. WHITE: Boy, I wish I had that.

9 MS. FOX: The other comment I had is we have
10 already received a number of phone calls from customers
11 asking about the appliance for clunkers program, and they
12 are curious about how they can find out more information. I
13 imagine that once you close down the program, we are going
14 to receive -- still get a lot of phone calls from customers,
15 so my first question is, what can we tell customers right
16 now? How can we direct them to the best information? And
17 then, my second half of the question is, once you close out
18 the program, how long are you going to be requiring the 800
19 number to be open or do customers have someone they can call
20 at the Energy Commission to have their questions answered?

21 MS. WHITE: First thing, of course, the most
22 current information is on our website, on the Recovery page
23 under the Energy Star Program, then, of course, if there are
24 specific questions, the general information e-mail address
25 there, it is really hard to track down a 1-800 right now

1 because we actually do not have the staff to man it, we have
2 been trying to field calls the best we can, but the best
3 thing to do is to recommend that your customers go to these
4 sites, or put their requests in writing to this e-mail
5 address, or if they have questions, I can try to get people
6 out a better e-mail, you know, my name, Peter's name, and
7 then our office address. But the other thing, too, is, as
8 information is updated on our website, we do have that list
9 service, whether it is for anything ARRA related, or just
10 the Appliance Rebate Program, and I have been asking anybody
11 I talk to, to please go to the first web page that I list
12 here on the Energy Star Program. If you are interested on
13 the appliance side, get on that list serve, at least. That
14 way, people get any kind of updates and they will have --
15 any time to put a link, or a list, or a forum on the web
16 page, they will get notified of that. So right now, that is
17 the best I can suggest.

18 MS. FOX: Okay, great.

19 MS. WHITE: Yes?

20 MS. MANNING: I am Lela Manning, San Diego Gas &
21 Electric. And I, too, am very impressed. This really came
22 together well.

23 MS. WHITE: That is a lot of help, especially by
24 my utility friends.

25 MS. MANNING: This -- I only have a couple of

1 questions, or issues, or concerns, and one of them is, with
2 the appliances, particularly the room ACs, and I do not know
3 what category that kind of falls into, that is why I name
4 them all, but we actually sometimes -- we have a rebate on
5 room ACs, and if you, in addition, have a rebate on the room
6 AC, then I am a little concerned that is going to set up a
7 scenario where the customer is not paying anything, so I
8 want us to kind of be cautious of the amount of what is
9 being rebated and when, so I just wanted to throw that out
10 to you.

11 MS. WHITE: Okay.

12 MS. MANNING: And then --

13 MS. WHITE: We were not aware of any -- of all the
14 rebates I have looked at, they are usually around the \$20 to
15 \$30 range, ours is a little higher, and I have not found an
16 Energy Star appliance yet that is below a hundred bucks.

17 MS. MANNING: And another, if it is on sale, then
18 we are paying for it.

19 MS. WHITE: Oh, okay, thank you. That is a very
20 good point.

21 MS. MANNING: Then the other thing I thought was
22 really good was the rebate receipt. I like that because,
23 for our rebate, we require an original receipt, so I had a
24 little bit of trepidation that the customer was going to
25 have to either give you the receipt or us the receipt and

1 other kind of stuff, so --

2 MS. WHITE: We were trying to build in a little
3 latitude because I know, having looked at some of the rebate
4 programs, not just the utility ones, but some of the
5 manufacture ones require the original receipt.

6 MS. MANNING: Yeah, so that helped. And then, the
7 other thing, as far as I understand the stop and storage so
8 you can extend the funds and I think that is a great way to
9 go, what I am a little concerned with is for your customer
10 service, for the 800 number, what their message will be
11 during that down period because I am just assuming they are
12 going to stay open. So I just wanted to bring that up so
13 you could consider that.

14 MS. WHITE: Thank you.

15 MS. MANNING: Thank you.

16 MS. WHITE: Things yet to do. Anyone else here in
17 the room that has comments? And Mike is patiently waiting.
18 All right, Mike, I am going to unmute you.

19 MR. GANTMAN: I feel unmuted.

20 MS. WHITE: Are you unmuted, Mike?

21 MR. GANTMAN: I am unmuted.

22 MS. WHITE: Excellent.

23 MR. GANTMAN: You may choose to mute me
24 momentarily, but for the moment I am unmuted.

25 MS. WHITE: Great, no, I would like you to make

1 your comment or ask your question.

2 MR. GANTMAN: I do have a couple comments. With
3 regard to the 30 days --

4 MS. WHITE: Oh, pardon me, Mike. I need to have
5 you give your full name and affiliation, please.

6 MR. GANTMAN: Oh, Mike Gantman with PECI&.

7 MS. WHITE: Thank you.

8 MR. GANTMAN: Thirty days, we consider 30 business
9 days, so that is six weeks, that is pretty standard to
10 process rebates.

11 MS. WHITE: Thank you.

12 MR. GANTMAN: Regarding the rebate processing,
13 this is something you and I have talked about on a couple of
14 occasions and I just want to clarify with you so I am clear.
15 You are looking for a implementer to just simply handle the
16 rebate processing side, correct?

17 MS. WHITE: As opposed to?

18 MR. GANTMAN: Well, as opposed to doing additional
19 marketing and helping launch, things of that nature.

20 MS. WHITE: As I mentioned earlier in the
21 presentation, a lot of the administrative activities, we are
22 going to be dependent on our official partners to help with
23 and --

24 MR. GANTMAN: The reason I mention that is it has
25 come up in a lot of conversation here about first come,

1 first serve, and some people mentioned rebate for clunkers,
2 which this is certainly not a rebate for clunkers, or cash
3 for clunkers, so when we talk about this and people bring
4 that up, we really try to steer them away from that because
5 we do not want to identify ARRA with any program that was,
6 from a public relations standpoint, not very successful, so
7 we always try and steer them away from the idea that this is
8 anything like Cash for Clunkers, because it is really a very
9 unique program that stands far and away beyond that.

10 MS. WHITE: So maybe we could go with "Green for
11 Appliances," or something, yeah.

12 MR. GANTMAN: But in light of that, and in light
13 of any rebate processing firm being connected with this
14 program, will there be an opportunity for anybody doing the
15 rebate processing to influence the marketing message?
16 Because, as I think the comment earlier on, how will anybody
17 handling that 1-800 line deal with those phone calls should
18 the program stop for a period of time and then start up
19 again, I see it would need to be those folks re-doing the
20 rebate processing and handling those call centers would need
21 to be deeply connected with the public relation or the
22 marketing message, so will there be an opportunity for that
23 firm, whoever they be, to be a part of those conversations?

24 MS. WHITE: In an ideal world, yes. Part of our
25 difficulty is being required to roll out this program so

1 quickly, and the fact that there are certain things under
2 California law that just have to happen sequentially. If I
3 had my druthers, I would have the contract company on board
4 by the end of the year, but under our contract process law
5 and under our program establishment law, we have to meet a
6 certain timeline. We currently had little flexibility on
7 where our target start date needs to be, so we are
8 significantly cramping the schedule for developing the
9 guidelines, hiring a contractor, and rolling out the
10 program. As soon as we can announce the contractor we
11 intend to sign contracts with, we will try to get them in
12 contact with our other retail and utility partners, so any
13 of these last minute details can be ironed out, but we
14 cannot do anything that would be legally problematic. So we
15 would love to have our retail and utility partners work hand
16 in hand with our contractor. We will do so to the extent
17 possible, but we are facing some serious constraints as a
18 result of the schedule that is being imposed on us. And
19 this is a state schedule; it is not a DOE schedule.

20 MR. GANTMAN: Have you created the application
21 yet?

22 MS. WHITE: We are creating the RFP as we speak
23 and, as I mentioned, we are trying to issue that RFP no
24 later -- the request for proposals no later than December
25 16th, and then have the bids due January 6th, and then have a

1 contractor selected from those bids as early as the 13th,
2 but it does take time under the California process.

3 MR. GANTMAN: And by "application," I did not mean
4 the RFP, I meant the actual invoice form that consumers will
5 fill out and submit themselves.

6 MS. WHITE: Yeah, we are trying to develop that
7 now. The reason why we are having to do it is because, if
8 the contract process runs as long as I think it is going to
9 have to, even under an accelerated schedule, we would have
10 to have those forms in place and distributed to partners
11 well in advance of actually having the ink dry on a contract
12 with you.

13 MR. GANTMAN: Okay. Something you mentioned early
14 on and it has to do with a comment regarding double
15 counting, you indicated that the DOE was going to have some
16 additional information about how they will address issues
17 where funds overlap; in other words, the state has this ARRA
18 funding and it is going to overlap with an existing utility
19 rebate program, and whereas the states are required to
20 report on savings, what is critical for the utilities is
21 that they actually claim those savings, two pretty distinct
22 issues. But the DOE had always indicated that they were not
23 making additional statements on that. Is it your
24 understanding that they will make a new report on that?

25 MS. WHITE: No. What I said was, by the time we

1 get our award, DOE will specify the kind of reporting,
2 specific reporting requirements that we have for this
3 program.

4 MR. GANTMAN: Okay.

5 MS. WHITE: What we expect is, in the event that
6 the program is audited, which they will be, we will need to
7 demonstrate that the program met the goals and objectives
8 laid out for it, but it is not necessarily -- we would rely
9 on accurate information being reported from the rebate
10 processor on the claims, the validity of the claims, what
11 the claims were for, and how much was awarded. You would
12 not necessarily be responsible for actually meeting some of
13 these other objectives that you have no control over, by the
14 responsibility of the state -- in an audit. And that may
15 include being able to report and document justifications for
16 our reports on energy savings and environment benefit.

17 MR. GANTMAN: So that has got nothing to do with
18 the potential double counting of rebates on the part of the
19 utilities, where ARRA funds are necessarily going to
20 overlap; and so there is no change, then, in what the CEC
21 ruled a couple months back about energy savings?

22 MS. WHITE: No change.

23 MR. GANTMAN: Okay. That is it for me. Thank you
24 very much.

25 MS. WHITE: Is there anyone else who has some

1 questions or comments they want to make? Use your raised
2 hand function on the WebEx, if you do. I also -- I am going
3 to unmute all the folks that have just called in, and if any
4 of you actually have an interest in speaking, please do so.
5 I know this will cause a lot of background noise, but I have
6 several folks who have just called in, and I would like to
7 give you an opportunity to make comments or questions. So I
8 have unmuted all of the call-in numbers, so if you have any
9 questions or comments, please speak up. Okay, having heard
10 none, I am going to go ahead and mute you all back just to
11 make sure I do not have any background noise that will kind
12 of disturb the rest of the discussion.

13 Now, I have had several comments, or questions,
14 raised so far on the Q&A in the WebEx in terms of written
15 comments, and so let's see, let's go down to Karen -- no,
16 that was a process one -- now, Pam Bradley asks, "What about
17 recycling Energy Star appliances? Do they qualify?" What
18 we have been talking about is predominantly that any of the
19 appliances that we choose to be a part of the program, and
20 for which we will offer rebates, there are three
21 considerations, 1) they have to be certified to the
22 California Energy Commission as meeting our minimum energy
23 efficiency requirements, 2) they have to also be on the
24 Energy Star Appliance List, and then, 3) they need, for
25 clothes washers and refrigerators, they need to meet the

1 Consortium of Energy Efficiency Super Efficiency Home
2 Appliance Criteria, Tier 2 and above. And we do not have an
3 additional Consortium of Energy Efficiency requirement for
4 room air conditioners because when we imposed that, we only
5 had 12 models, and that was not good enough, we had to
6 actually have a bigger offer than that. All of the
7 appliances for which we offer rebates need to actually be
8 replacing appliances of the same kind, so refrigerator for
9 refrigerator, air conditioner for air conditioner, and the
10 like. And all of the replaced appliances must be recycled,
11 so all of them are eligible to be recycled in California,
12 and will need to be, and documentation will need to be
13 provided for that.

14 Mohan is asking, "Will minority owned service
15 providers be looked at in a favorable light?" I am not sure
16 what you mean by that, but we are not giving any particular
17 preference to small or large business, minority owned or
18 regularly owned, we want to give consumers the opportunity
19 to be able to purchase qualified appliances, how they choose
20 to purchase that, great, they just need to make sure that
21 those appliances meet the criteria of the program and, in
22 order to get the rebates, they have to satisfy the
23 requirements for recycling, doing the purchases within the
24 specific time period, and to ensure the old appliance is
25 recycled. Another question from Mohan is how to prepare for

1 the RFP. "In order to prepare in advance for the RFP, is
2 there a past RFP that you can allude to, that would be
3 similar to the upcoming one?" Mohan, I am really sorry, but
4 California has never -- the State of California has never
5 run a rebate program, so I do not have an RFP for a previous
6 program that I could suggest you look at. I wish I could
7 because then it would have been a much easier template to
8 operate from. We are trying to give as much information in
9 our guidelines, in our environmental documentation, in some
10 of the information we presented on what the State of
11 California is going to be required to do, especially as it
12 pertains to preventing fraud, waste, and abuse, to give
13 people a sense of what expectations we have for a rebate
14 processing firm, and then, of course, what kind of tight
15 schedule we are on, so I have provided hopefully lots of
16 information for your benefit in this presentation and in
17 those documents. A third question from Mohan is, "If a
18 provider provides a solution only for some parts of the RFP,
19 but not others, will this be accepted? Or will you
20 summarily reject it?" We are going to specify in the RFP
21 what evaluation criteria we are going to need a rebate
22 processing firm to meet. And essentially, if you meet that,
23 you pass, if you do not, you do not. And we will then judge
24 beyond that and award the Wynning bid on those that can
25 offer those services at the lowest cost. That is how our

1 rebate processes work. We do not do partials like that.
2 How will the ARRA rebate hotline -- and this is lastly
3 Colleen Higham asks -- "How will the ARRA rebate hotline
4 website info be active after the program closes and funds
5 are depleted?" Yet to be determined, yet to be disclosed.
6 We will try and get that information to folks as soon as we
7 can, but right now we will -- it is obviously expected that
8 the hotline would be up for some time afterwards, how long,
9 we do not know. And of course, our website will be active
10 for as long as the Commission is around, and to the extent
11 that we can provide appropriate information, until such time
12 as no interest in the program remains, we shall do so. But
13 of course, all of our ARRA activities, we are trying to, as
14 much as possible, disclose information and keep as timely as
15 possible on our website. We will ask, of course, our
16 partners to keep links active as long as they see fit, and
17 we will not be able to mandate them since a lot of this
18 stuff is voluntary, and I know that we have lots of help and
19 we can learn a lot from our partners and will be doing so
20 over the next couple months on what is appropriate and what
21 is not. So, since there are no more questions on the chat,
22 I am going to turn back to Cheryl, who has been waiting
23 patiently.

24 MS. WYNN: Lorraine, I was wondering if you could
25 speak a little bit about the marketing plan for this program

1 so we can have an idea what you are planning, so we can
2 definitely be supportive of your plan?

3 MS. WHITE: At this point, discussions have been
4 very much in-house because we have been focused on trying to
5 get the structure of the program going and meeting some of
6 these legal requirements first and get those out, now we can
7 turn to the marketing plan, and we have to do so in
8 partnership with our utilities and retail partners who are
9 already committed to helping us, and we need to set up those
10 calls, start talking about ideas, start taking about
11 messaging, distribution of that messaging, those kinds of
12 things will be set up, I guarantee, very shortly with y'all,
13 because I know you are a partner, PG&E, SMUD, Edison, City
14 of Palo Alto, that you have all been very gracious in
15 offering time and support, and we just need to get some of
16 these things out of the way first so we can turn our
17 attention to those activities, and that is our next step --
18 I mean really getting into it. And you guys have raised a
19 lot of good issues today, which we will be taking into
20 consideration in structuring those initial calls, and how we
21 actually roll this out, how we get the information out, how
22 we control certain expectations, and things like that. So
23 thank you very much. I mean, this is incredibly helpful.

24 Any other comments or questions? Well, I would
25 like to thank you all for joining this discussion and

1 helping us figure out what we are doing over the last few
2 months, helping in the development of these documents. I
3 hope some of you can see your fingerprints on them. And we
4 will hopefully look to see some additional participation in
5 the future to ensure that the program is successful,
6 achieves what it is intended to, and makes people happy,
7 they get what they really would like. So with that, we are
8 adjourned. Thank you very much.

9 (Whereupon, at 12:03 p.m., the workshop was adjourned.)

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CERTIFICATE OF REPORTER

I, KENT ODELL, a Certified Electronic Reporter, do hereby certify that I am a disinterested person herein; that I recorded the foregoing California Energy Commission Workshop; that it was thereafter transcribed into typewriting.

I further certify that I am not of counsel or attorney for any of the parties to said meeting, nor in any way interested in outcome of said meeting.

IN WITNESS WHEREOF, I have hereunto set my hand this 24th day of November, 2009.


KENT ODELL