

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



August 5, 2009

California Energy Commission
Dockets Office, MS-4
Re: Docket No. 09-OII-01
1516 Ninth Street
Sacramento, CA 95814-5512 1516 Ninth Street, MS-39

DOCKET**09-OII-1**

DATE AUG 05 2009

RECD AUG 06 2009

Re: Docket No. 09-OII-01, ARRA State Energy Program Guidelines

The California Public Utilities Commission (CPUC) Energy Division (ED) staff is pleased to submit the attached comments on California Energy Commission's preliminary guidelines for program areas to be funded by the American Recovery and Retirement Act (ARRA) State Energy Program (SEP), specific to the California Comprehensive Residential Building Retrofit Program.

We are generally very pleased with the draft guidelines. The guidelines highlight the leadership California has played in promoting and using energy efficiency programs. The draft guidelines are also in harmony with the goals and objectives the CPUC as outlined in its Long Term Energy Efficiency Strategic Plan.

ED supports the efficient and effective use of these funds with the proper reporting, evaluation and measurement standards put in place. ED is in support of field verification consistent with the California Home Energy Rating System Program to insure quality installations and monitoring of program results.

However the details on specific metrics for how the reporting, evaluation and measurement of fund use and energy savings need to be further addressed. These include specific energy cost effectiveness standards that should be met for proposed programs, specific penetration goals in terms of home to be treated or customers reached within a specified timeframe, as well as accounting measures for tracking the energy savings for each proposed program.

ED supports the CEC's emphasis on collaboration with Local Government consortia in regions around the state that are prepared to actively pursue the California Comprehensive Residential Building Retrofit Program in their regions. ED encourages the participating local governments both to provide match funding from the Energy Efficiency and Conservation Block Grants funding going to local governments in their regions and to commit to coordinate with local municipal financing district programs that already exist or are emerging in their regions with the California Comprehensive Residential Building Retrofit program.

ED supports collaboration with National and State Programs including the U.S. Environmental Protection Agency's (EPA) Home Performance with Energy Star Program (HPwES) for achieving comprehensive, whole house retrofits. ED agrees that there is an opportunity for the California Comprehensive Residential Building Retrofit Program to collaborate with existing CPUC's programs, including the low income energy efficiency program (LIEE), to achieve comprehensive retrofits within the Second and Third Tiers of the California Comprehensive Residential Building Retrofit Program.

However the details on how we would integrate such programs with the CPUC's existing programs should be further detailed. The details to be further addressed include:

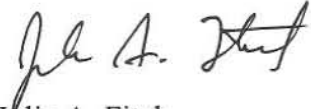
- 1) How the standards between the leveraged programs compare;
- 2) How the list of eligible measures offered in the programs compare;
- 3) How the level of cost effectiveness set compares;
- 4) How the penetration goals in terms of home to be treated or customers reached within a certain period compares;
- 5) How the energy savings goals to be achieved between the leveraged programs compares;
- 6) How these goals and energy savings will be measured, tracked and accounted for separately in order to realize the effectiveness of the leveraged programs together and separately; and
- 7) How the shared costs are allocated and separately tracked between the leveraged programs if resources are shared.

ED also provides the following comments in regards to the criteria to be used for evaluating proposals in response to the solicitation:

- 1) Leveraging of funding should be encouraged, but the proper accounting mechanisms need to be defined and put in place in order to separate out program costs and resource time. Proper accounting and tracking will help more accurately assess the effectiveness of the specific program.
- 2) Economically Disadvantaged Areas to be targeted should be further defined. What are the criteria for these areas, (based on overall neighborhood income level, amount of foreclosures, neighborhoods defined by Utilities or other agencies, etc.)?
- 3) Total Energy and GHG Emissions Reductions standards should be defined. Methodology and accounting of the energy savings and GHG emissions reductions should be detailed.
- 4) Time Criticality and the extent to which the proposed programs align with other existing program schedules in which they are leveraging with to ensure that the ARRA SEP funding will be expended in the completion of actual energy retrofits by March 31, 2012 and will provide accurate information monitoring implementation progress.

We appreciate your consideration of the Energy Division's concerns and comments in the final Guidelines.

Submitted By,

A handwritten signature in black ink, appearing to read "Julie A. Fitch". The signature is fluid and cursive, with the first name "Julie" being more prominent.

Julie A. Fitch
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California Public Utilities Commission

Cc:

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