

**Docket Optical System - SEP Guideline Comments from PG&E**

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**Subject:** SEP Guideline Comments from PG&E  
**CC:** "Krausse, Mark" <MCKd@pge.com>, "Kim, Daniel" <DHK9@pge.com>

California Energy Commission,  
 Thank you for the opportunity to submit comments on the State Energy Program draft guidelines. Below are our comments on the latest draft. Please feel free to contact me if you have any follow-up questions to our comments.

Sincerely,

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**DOCKET**

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## 1. General Comments

Section 410 of the Conference Report accompanying the American Recovery and Reinvestment Act requires in section (a)(3) state that SEP funds be used for the expansion of *existing* energy efficiency and renewable energy programs. To ensure this requirement is met, DOE's Funding Opportunity Announcement (Attachment 1 – State Energy Program Notice 09-01) requires that each state's application include a commitment that SEP funding will not be used to supplant or replace existing state, ratepayer or other funding. In light of this requirement, PG&E believes that the Energy Commission's guidelines need to be modified to ensure that proposed programs and activities, such as building retrofit programs and municipal financing districts, clearly demonstrate that they are structured and targeted so as to avoid duplicating or supplanting existing programs administered by the State's utilities and funded by existing Public Goods Charges.

## 2. Municipal Financing District (page 19)

We appreciate the efforts of the CEC in developing these detailed Municipal Financing District Program draft guidelines. Given that such districts may potentially be an important tool in the State's goal to increase energy efficiency and renewable energy generation, PG&E believes the guidelines should more explicitly encourage coordination and leveraging of IOU and other utility implemented energy efficiency programs. We believe that integration of financing district programs with available utility residential and commercial energy efficiency incentives and programs will achieve optimal market penetration. These draft guidelines lay out important considerations for all legislative bodies that may be planning to develop, or are developing, a Municipal Financing District program, regardless of whether they apply for this funding. PG&E

supports the efforts of the CEC in administering distribution of these funds using the drafted guidelines in order to ensure sustainable, effective, cost-efficient and integrated deployment of this innovative financing mechanism. In particular, PG&E supports the CEC in maximizing the funds directly reaching the customer.

**3. California Comprehensive Residential Building Retrofit Program (page 29)**

The draft SEP guidelines for the comprehensive residential building retrofit programs, it is stated that the “Energy Commission will enter into contracts with consortia of local government agencies covering a region of the state that are prepared to actively pursue the California Residential Building Retrofit Program in their regions.” PG&E has a Government Partnership program in place that is well equipped to collaborate with the Consortia of Government agencies. We strongly encourage the consortia of local governments to coordinate and collaborate with PG&E’s Local Government Partnerships to pursue the goals of the State Energy Programs.

**4. Municipal and Commercial Building Targeted Measure Retrofit Program (page 37):**

The draft SEP guidelines state that Municipal and Commercial Building Targeted Measure Retrofit Program will focus on targeted retrofit measures in municipal and commercial buildings throughout the state and conduct energy audits. PG&E has Third Party, Government Partners, and Commercial Energy Efficiency programs that conduct energy audits and provide incentives for comprehensive building retrofits and targeted measures. In order to avoid duplication and overlap of energy efficiency programs, PG&E encourages the CEC to best utilize the limited ARRA funding by targeting measures that are not commonly rebated by the IOU programs to help transform the market. For example, two items listed in the guidelines as targeted lighting measures include bi-level stairwell fixtures and exterior walkways. PG&E has a rebate in our business lighting rebate catalog for the bi-level stairwell lighting, but not for walkway lighting. PG&E recommends that the CEC provide more funding towards targeted retrofits like walkway lighting and remove products like bi-level stairwell as eligible products in the SEP guidelines.