

**Comments of the Natural Resources Defense Council (NRDC) on the
Draft 2010 Integrated Energy Policy Report (IEPR)**

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I. Introduction and Summary

The Natural Resources Defense Council (NRDC) appreciates the opportunity to offer these comments on the draft 2010 Integrated Energy Policy Report (IEPR) Update discussed at the California Energy Commission's (CEC) Committee hearing held on November 1, 2010. NRDC is a nonprofit membership organization with a long-standing interest in minimizing the societal costs of the reliable energy services that Californians demand. We focus on representing our more than 250,000 California members and online activists members' interest in receiving affordable energy services and reducing the environmental impact of California's energy consumption.

The American Recovery and Reinvestment Act (ARRA) of 2009 allocated a significant amount of funding to be distributed by the CEC, requiring that the CEC either expand current offerings or develop brand new programs and partnerships. This immense undertaking required an extremely fast timeline and we commend the Commission and its staff for their hard work in developing the draft 2010 IEPR update and all the programs and partnerships described within.

We offer the following support and recommendations summarized below:

- NRDC commends the CEC for carrying out an extensive public participation process to allocate ARRA funds to build strong partnerships and support long-term benefits for Californians.
- NRDC urges the CEC to incorporate lessons learned from the ARRA-related renewable siting projects into all future siting and permitting efforts.
- NRDC recommends that as the Energy Upgrade California program is implemented and modified to comply with AB 758, the CEC continue to refine

and expand program offerings to ensure maximum economic, environmental, and workforce development benefits.

II. Discussion

NRDC commends the CEC for carrying out an extensive public participation process to allocate ARRA funds to build strong partnerships and support long-term benefits for Californians.

NRDC is part of the California Green Stimulus Coalition (now named the California Green Recovery Network), a coalition of dozens of diverse organizations committed to ensuring ARRA dollars are invested in California communities to kick-start a transition to a green and prosperous economy. The California Green Recovery Network provided significant input to the CEC as it developed its guidelines for how to administer State Energy Plan (SEP) funds. As an active participant in the early stages of developing the key plans and connections to workforce development opportunities, we appreciated the open communication lines with staff as well as the numerous workshops that provided an opportunity to learn about potential programs and discuss strategies. We commend the CEC for conducting an extensive public process, even when faced with a compressed timeframe and no additional staff, to allocate \$226 million in SEP funds (up from \$3 million the year before) for the benefit of all Californians.

In addition, the CEC worked with the other state energy agencies to make certain that the ARRA programs supplemented (and did not supplant) current offerings and took time to forge new partnerships, such as working with the Employment Development Department and Employment Training Panel to support the Green Jobs Training Program. The ARRA-supported programs and partnerships developed over the past year will undoubtedly be more successful due to the careful attention to stakeholder input, which will ensure that positive program results extend far beyond the timeline of ARRA.

NRDC urges the CEC to incorporate lessons learned from the ARRA-related renewable siting projects into all future siting and permitting efforts.

The CEC's efforts to encourage and site large scale renewable energy projects with limited time undoubtedly faced numerous obstacles. We appreciate the CEC's acknowledgment of the importance of carefully reviewing that effort as part of building

an environmentally responsible renewable energy program in California. We therefore strongly urge the Commission to work with all the agencies involved to actively incorporate the lessons learned from experience over the past year into siting and permitting work going forward.

NRDC recommends that as the Energy Upgrade California program is implemented and modified to comply with AB 758, the CEC continue to refine and expand program offerings to ensure maximum economic, environmental, and workforce development benefits.

Energy Upgrade California is the product of an unprecedented collaboration among numerous agencies and parties that is set to save Californians money on their energy bills, spur local economies, create jobs, and maintain California's leadership in pioneering win-win policies to tackle climate change. By providing a one-stop shop to enable Californians to take advantage of the money-saving opportunities of a home energy retrofit, Energy Upgrade California is pioneering a new, comprehensive approach to delivering water and energy savings that could serve as a model for the next generation of energy efficiency programs here in California and across the nation. In the process, the program will generate sorely needed economic activity and create jobs in local communities here in California, the cornerstone of what ARRA funds were intended to accomplish.

Energy Upgrade California is also an important first step towards complying with Assembly Bill 758 (Skinner, 2009). As the process for developing a statewide program for all building types continues, however, we strongly recommend that the Commission ensure that if the Energy Upgrade California program is modified to comply with AB 758, the program applies to all income types and supports a strong energy efficiency industry. This will not only ensure that the state captures all available cost effective energy efficiency potential, but that the benefits of reduced energy and water bills reach every customer.

These programs will also support a growing workforce both in terms of direct jobs created to carry out the ARRA-supported programs and other jobs created when money saved on energy and water bills is redirected to goods and services in the local economy. As noted in the draft IEPR Update, there has been significant job growth over the past three decades as a result of California's energy policies. (p.10). However, we

suggest that the Commission clarify this statement by including language that highlights the importance and magnitude of job creation when customers pay less on their utility bills, and can therefore spend more on labor intensive goods and services in the economy.

We offer the following language for consideration:

California's energy efficiency policies over the last 30 years have created 1.5 million full-time equivalent jobs with a total payroll of more than \$45 billion, and saved California consumers more than \$56 billion on energy costs. In addition, these policies have created 1.5 million full-time equivalent jobs with a total payroll of more than \$45 billion, both from *direct* jobs created by services and products needed to support energy efficiency programs as well as through *indirect* jobs that are created when money saved on customer bills is redirected to other goods and services in the economy. The report further finds that for every one fossil fuel job made unnecessary by energy efficiency, more than 50 new jobs have been created across the state's diverse economy.

III. Conclusion

NRDC thanks the Commission for the opportunity to comment on the proposed 2010 IEPR scope and for considering our recommendations.