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California Energy Commission
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RE: Docket No. 11-IEP-1F
1516 9th Street
Sacramento, CA 95814-5512

Electronically submitted to: docket@energy.state.ca.us
Cc: Kae Lewis, kewis@energy.state.ca.us

RE: Docket 11-IEP-1F
Draft Staff Report Achieving Cost-Effective Energy Efficiency for CA 2011-2020

Environmental Health Coalition (EHC) is a member of the California Environmental Justice Alliance (CEJA), a coalition of six grassroots environmental justice organizations in California working to improve the quality of life in low-income, communities of color. We presented and submitted comments at the May 9, 2011 Distributed Generation Workshop, and submitted comments on the California Clean Energy Future Overview document as part of a separate IEPR workshop.

EHC and CEJA appreciate the opportunity to now also provide comments on the August 11, 2011 Staff Workshop on Achieving Cost-Effective Energy Efficiency for California 2011-2020 (Docket no. 11-IEP-1F).

As universally recognized, energy conservation and efficiency are the most cost-effective energy resources. They not only help ratepayers reduce bills, but also help the state and utilities reduce energy load and help us meet our ambitious climate change reduction goals. Energy efficiency is also a driver to entry-level job creation, something critically important in underemployed communities.

Utilities Failed to Meet Efficiency Goals – Yet Still Rewarded

Most concerning to us is the fact that the utilities have not met their energy efficiency goals, despite claiming they had. According to the Draft Staff Report, "Achieving Cost-Effective EE for California," the IOUs self-reported achieving 151 percent of their energy savings goals during 2009, but the evaluation report indicated they only achieved 83 percent of their goals for that period.

Rewarding the utilities for failing to meet their required goals erodes public trust in the CPUC and perpetuates the cycle of rewarding bad behavior, spending hundreds of millions of ratepayer

funds on programs that don't work and/or don't have full utility commitment to success, while continuing to build expensive and polluting new transmission lines and power plants – undermining climate change mitigation goals.

A Better Approach – Treat Efficiency as Supply-Side Resources

A better approach would be to reward utilities for savings achieved and treating efficiency with the same urgency and priority as supply-side resources. The utilities should submit a contract with the CPUC with performance standards and be rewarded with profits when they fulfill their contract obligations. This would not only ensure that efficiency programs are designed and implemented to be successful, but would actually help ensure that we focus on peak-demand savings.

As outlined in the Sierra Club letter on this hearing dated August 18, 2011, Texas has created a standard-offer. Incredibly, as stated in the Sierra Club letter, Texas in 2006-2008 achieved twice the energy savings per dollar and 4.5 times the peak demand savings per dollar vs. CA IOU programs. ISO-New England has gone even farther and created guidelines that allow efficiency to bid in its resource supply auctions, where efficiency beat out traditional energy resources to help meet peak demand. The more efficiency can participate in supply side markets, the more the savings would be valued for the time of day impacts on the grid, and the more peak savings would be achieved.

Focus Efficiency Funds on Upgrading/Retrofitting Existing Buildings

While many of the efficiency program funds and efforts are focused on measures like lighting, as well as large commercial and industrial customers, we need to invest more resources in measures that reach the smaller-scale energy users and broaden consciousness and participation in energy conservation. The beauty of focusing resources on upgrading/retrofitting/recommissioning residential and small commercial buildings is that you address peak demand, change behavior, mitigate climate change and jumpstart a new energy industry with entry-level to management-level job opportunities.

Thus far, moderate resources have been allocated to Energy Upgrade California and it is a great start, but we need many more resources and attention to drive demand and create a sustainable long-term market. The only way to get Californians to embrace this concept is to redirect the millions and millions of efficiency monies into a concentrated effort for upgrading existing buildings. For example, we need funds to give free HERS/Energy Star audits and building ratings to residences and businesses, and we need increased rebates for retrofits/upgrades so more people can participate. We also need on-bill financing on the residential side, something the utilities have balked at while they still haven't met their energy efficiency goals or meaningfully reduced peak load demand. A fresh look at how efficiency funds are allocated is long overdue.

Thank you for the opportunity to provide comments. We look forward to ongoing dialogue.

Sincerely,



Nicole Capretz
Associate Director
Environmental Health Coalition