

From: Besa, Athena  
Sent: 9/3/2010 2:00:55 PM  
To: Baker, Simon (simon.baker@cpuc.ca.gov); Fogel, Cathleen A. (cathleen.fogel@cpuc.ca.gov)  
Cc: Arambula, Don - Edison (Don.Arambula@sce.com); [Redacted]  
[Redacted]; [Redacted]  
[Redacted] Swaim, Cynthia M. (CMSwaim@semprautilities.com); Ramaiya, Shilpa R (/o=PG&E/ou=Corporate/cn=Recipients/cn=SRRd); Shore, Kevin M. (KShore@semprautilities.com); Kwan, Karen W. (KKwan@semprautilities.com); Michelle.Thomas@sce.com (Michelle.Thomas@sce.com); David.Jacot@sce.com (David.Jacot@sce.com); [Redacted]  
[Redacted]; Bruner, Nathan J (NBruner@semprautilities.com); Ruiz, Carlos (CRuiz@semprautilities.com); Yamagata, Joy C. (JYamagata@semprautilities.com); Kwan, Karen W. (KKwan@semprautilities.com); [Redacted]  
[Redacted]  
amri.christianto@sce.com (amri.christianto@sce.com); Robinson, Candy E. (CERobinson@semprautilities.com)  
Bcc:  
Subject: RE: IOU proposed changes to whole-house performance program incentive structure

Simon and Cathy,

Here are the responses to your questions that you posed regarding our proposed changes.

1) Statewide aligned Performance program incentives is a top priority. This reflects the need for clear communication to contractors and customers in this start up phase as well as the statewide coordination intention for both the prescriptive and the performance programs as contained in D0909047. The IOUs agree.

2) We feel that any Performance Program incentive program must start only at 15% incentive offering; prescriptive program can take the 10% homes. SCE, SDG&E and SoCalGas respectfully disagree for the reasons identified in #3 below.

3) We would like to understand better IOU rationale for the proposed design change. Is it based on lowering first costs? Customer payback? Value of energy savings? We would appreciate seeing the incentive change rationale written up or discussed with ED staff in more depth than has occurred so far.

SCE, SDG&E and SoCalGas' rationale for the proposed design change is that reducing the energy savings threshold down to 10% energy savings will greatly increase SCE's customers', and local government constituents' ability to participate in the Performance Program and to take advantage of the Performance Program. SCE feels that Performance Program incentive level to start at 10% provides the smoothest bridge from Prescriptive Program to Performance Program.

Additionally, SCE has a customer base that does NOT have any type of A/C (central or ductless), therefore by offering the on-ramping to the performance program at 10%, SCE can offer a parity of the prescriptive program to those distinct customers.

This reduction in the threshold will also be aligned with CPUC Decision D0909047. The Decision stated the Prescriptive Program should reach an average minimum of 20% energy savings and the Performance Program to continue from 20% and above. After working closely with ED and performing modeling simulations utilizing the EQuest software, the IOU working group has come to the conclusion that the 4 core measures (air sealing, attic insulation, duct sealing, & insulation of hot water pipes) do not reach an average minimum of 20% energy savings but it does reach an average minimum of 10% energy savings with the addition of low flow showerhead with thermostatic valve or thermostatic valve device. By starting the Performance Program threshold at 10% energy reduction, it would still align with the structure outlined in the Decision, as well keeping to spirit of the Decision D0909047. Essentially, the Performance Program

will continue where the Prescriptive Program left off.

4) As a follow on to #3, we think that a gradually increasing incentive structure would make more sense as per the considerations outlined in #3 above than the current proposal. That is, starting from 15% average savings on upwards the incentive boost at each 5% increment becomes greater. We would like to know IOU thoughts on this. We believe that a skewed or graduated incentive structure would help push customers towards higher savings measure installations. This will particularly be the case if the HERs II tool can target work scopes towards 20% , 25%, 35% savings etc.

The IOUs are exploring the new proposed Performance Program incentives, with the table below representing the proposed minimums and maximums:

Energy Savings	Incentives
10%	\$1,250
15%	TBD, graduated incentive
20%	
25%	
30%	
35%	\$4,000

Amri Christianto

SOUTHERN CALIFORNIA EDISON  
Customer Energy  
Efficiency and Solar Division  
Tel : (626)633-3044 Pax# :  
43044  
Fax : (626)633-4892

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From: [Redacted]  
To: <Amri.Christianto@sce.com>  
Cc: <Don.Arambula@sce.com>, "Ramaiya, Shilpa R"  
<SRRd@pge.com>, "Athena Besa" <abesa@semprautilities.com>,  
"Swaim, Cynthia M." <CMSwaim@semprautilities.com>, "Bruner, Nathan J"  
<NBruner@semprautilities.com>, [Redacted]  
[Redacted]  
[Redacted]  
Date: 09/01/2010 06:08 PM  
Subject: RE: IOU proposed changes to whole-house performance program incentive  
structure

Amri,

Per our phone call this  
afternoon, here is a table of the revised Advanced program energy  
savings  
and incentive amounts. The TBD section of incentives can be  
discussed going  
forward to be consistent with cost effectiveness and market  
acceptance.

	<b>Incentives</b>
<b>Energy</b>	

<b>Savings</b>	
15%	\$1,500
20%	TBD, graduated incentive
25%	
30%	
35%	
40%	\$4,000

The PG&E team would like to help prepare a statewide response to Simon's email below. Please let me know if that is consistent with your plans and how you would like to coordinate tomorrow. I will be out of the office tomorrow morning but available via email.

Thanks!

Redacted

**From:** Fogel, Cathleen A. [<mailto:cathleen.fogel@cpuc.ca.gov>]  
**Sent:** Wednesday, September 01, 2010 11:38 AM  
**To:** Redacted; Amri.Christianto@sce.com; Bruner, Nathan J; Swaim, Cynthia M.  
**Cc:** david.jacot@sce.com; Michelle.Thomas@sce.com  
**Subject:** FW: IOU proposed changes to whole-house performance program incentive structure  
**Importance:** High

All,

This just went out and should be of interest to you and your program managers.

Cheers,  
Cathy

**From:** Baker, Simon

**Sent:**

Wednesday, September 01, 2010 11:23 AM

**To:** 'Athena Besa';

'Don.Arambula@sce.com'; 'Shilpa R Ramaiya'

**Cc:** Fogel, Cathleen A.;

Clinton, Jeanne

**Subject:** IOU proposed changes to whole-house  
performance program incentive structure

**Importance:**

High

All,

We have had a chance to  
discuss within Energy Division this IOU proposal to alter the  
incentive  
structure for the whole-house Performance Program. This is our  
feedback in order of priority:

1) Statewide aligned Performance program  
incentives is a top priority. This reflects the need for clear  
communication  
to contractors and customers in this start up phase as well as the  
statewide  
coordination intention for both the prescriptive and the performance  
programs as contained in D0909047.

2)  
We feel that any Performance Program incentive program must  
start only  
at 15% incentive offering; prescriptive program can take the 10%  
homes.

3)  
We would like to understand better IOU rationale for the proposed  
design  
change. Is it based on lowering first costs? Customer payback?  
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energy savings? We would appreciate seeing the incentive change  
rationale  
written up or discussed with ED staff in more depth than has occurred  
so far.

4) As a  
follow on to #3, we think that a gradually increasing incentive  
structure

would make more sense as per the considerations outlined in #3 above than the current proposal. That is, starting from 15% average savings on upwards the incentive boost at each 5% increment becomes greater. We would like to know IOU thoughts on this. We believe that a skewed or graduated incentive structure would help push customers towards higher savings measure installations. This will particularly be the case if the HERs II tool can target work scopes towards 20% , 25%, 35% savings etc.

We understand that an ED-IOU Whole House call is scheduled for Friday 2 pm between Cathy Fogel and the IOU Whole House program managers. We would request IOU response to the above input prior to that time. We are continuing to investigate the need for a PTM on this performance incentive structure change only, and have no further guidance from our legal department to report at this time. When we do, we will be in touch.

Thanks!

Best,  
Simon  
Eilif Baker  
Supervisor, Energy Efficiency  
Planning  
Climate Strategies Branch  
California Public Utilities Commission - Energy  
Division  
[seb@cpuc.ca.gov](mailto:seb@cpuc.ca.gov)  
415-703-5649

**From:** Fogel, Cathleen A.  
**Sent:** Friday, August 27, 2010 10:24 AM  
**To:** Don.Arambula@sce.com; Baker, Simon; 'Athena Besa'; Ramaiya, Shilpa R; Clinton, Jeanne; Tapawan-Conway, Zenaida G.; Baker, Simon  
**Subject:** FW: Pending PFM of D.09-09-047 - Inclusion of proposed changes to whole-house retrofit targets

Don,

The IOUs/LA County presented some new proposed Performance

incentive structure  
to me/ED for the first time during a meeting Aug. 19th (see  
attached). These  
proposed changes are of course quite different than the change to  
the  
prescriptive program target from 20% to 10%, as we have been  
discussing  
since May and you and Simon discussed below.

Soft launch  
(contractor trainings start) and Hard launch (rebates can be applied  
for/processed) for both the performance and the prescriptive whole  
house  
programs are scheduled now by all IOUs for September 1st and  
October 1st  
respectively. CPUC, Energy Commission and SEP recipients of  
course quite  
interested in NOT seeing either of these dates slip further; as you  
know the  
September 1st date was previously agreed to by IOUs for the hard  
launch.

Can you share current thinking on the IOU strategy to have Energy  
Upgrade Performance program rebate amounts locked down and  
ready to process  
by October 1st? Timing on a possible PFM just on this? Not sure  
when the  
next IOU-ED managers meeting is, but this may be an appropriate  
topic to  
discuss further as I think its fair to say that any slippage from the Oct.  
1  
hard launch would be problematic.

Thanks,

Cathy

**From:** Don.Arambula@sce.com [<mailto:Don.Arambula@sce.com>]  
**Sent:** Wednesday, August 25, 2010 9:30 AM  
**To:** Baker,  
Simon; Athena Besa; Shilpa R Ramaiya  
**Cc:** Clinton, Jeanne;  
Tapawan-Conway, Zenaida G.; Fogel, Cathleen A.  
**Subject:** Re:  
Pending PFM of D.09-09-047 - Inclusion of proposed changes to  
whole-house  
retrofit targets

Simon  
It is included in the upcoming PFM.  
Yesterday, we received Cathy's request to file  
a separate PFM on



Whole House so we can stay on track with the implementation of the program.

We are working with our attorneys to make this happen.

Don  
Arambula  
SCE  
626.633.3146  
Pax 43146

**From:** "Baker, Simon"  
[simon.baker@cpuc.ca.gov]  
**Sent:** 08/24/2010 02:26 PM  
MST  
**To:** Don Arambula; <ABesa@semprautilities.com>;  
"Ramaiya, Shilpa R" <SRRd@pge.com>  
**Cc:** "Clinton,  
Jeanne" <jeanne.clinton@cpuc.ca.gov>; "Tapawan-  
Conway, Zenaida G."  
<zenaida.tapawan-conway@cpuc.ca.gov>; "Fogel,  
Cathleen A."  
<cathleen.fogel@cpuc.ca.gov>  
**Subject:** Pending PFM of  
D.09-09-047 - Inclusion of proposed changes to  
whole-house retrofit  
targets  
Hi All,

Just checking to make sure that changing the whole-house retrofit savings targets from 20% to 10% is still going to be included in the pending PFM, as we discussed in a previous ED/IOU EE mgmt call. We noticed after the fact from our last call that it was missing from the list of 7 issues you outlined.

Please confirm.  
Thanks!

Best,  
Simon Eilif Baker  
Supervisor, Energy Efficiency Planning  
Climate Strategies Branch  
California Public Utilities Commission - Energy  
Division  
[seb@cpuc.ca.gov](mailto:seb@cpuc.ca.gov)  
415-703-5649