

From: Baker, Simon  
Sent: 9/1/2010 11:23:16 AM  
To: Ramaiya, Shilpa R (/o=PG&E/ou=Corporate/cn=Recipients/cn=SRRd); don.arambula@sce.com (don.arambula@sce.com); Athena Besa (ABesa@semprautilities.com)  
Cc: Fogel, Cathleen A. (cathleen.fogel@cpuc.ca.gov); Clinton, Jeanne (jeanne.clinton@cpuc.ca.gov)  
Bcc:  
Subject: IOU proposed changes to whole-house performance program incentive structure

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? 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.
- 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

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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  
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**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

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