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Julie Fitch
Director, Energy Division
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

Re: Report on the Coordination Between Energy Savings Assistance and Energy Efficiency Programs

Dear Ms. Fitch,

Per Decision 09-09-047, pages 305-307, Pacific Gas and Electric Company (PG&E) submits its 2011 Report: Building Energy Efficiency Opportunities For Low Income Customers, that details the coordination between its Energy Savings Assistance (formerly Low Income Energy Efficiency) and Energy Efficiency programs.

Please contact me at (415) 973-2494 if you have any questions.

Sincerely,

/s/

Sandy Lawrie
Principal Regulatory Case Manager
Regulation and Rates

cc: Jeanne Clinton, Energy Division
Pete Skala, Energy Division
Simon Baker, Energy Division
Lisa Paolo, Energy Division
Jennifer Caron, Energy Division

**Building Energy Efficiency Opportunities for
Low Income Customers:
Connections between PG&E's
Energy Savings Assistance (ESAP)
and Energy Efficiency (EE) Programs**



**Pacific Gas and Electric Company
July 1, 2011**

The California Public Utilities Commission (CPUC) in Decision (D.) 09-09-047¹ directed the utilities to provide a report to the Energy Division detailing coordination efforts between residential energy efficiency (EE) and Energy Savings Assistance Program (ESAP) (formerly Low Income Energy Efficiency (LIEE)) programs. In accordance with the decision, Pacific Gas and Electric Company (PG&E) provides this report.

A. Introduction

Since the inception of its ESAP program in 1983, PG&E has been delivering energy efficiency services through its Energy Partners program to low income customers in close integration with its EE program. As a result, PG&E customers can learn about and receive ESAP options through a variety of EE marketing and delivery channels, such as its core programs, Third Party programs, and Partnership programs.

In addition, PG&E's low income programs integrate service delivery with California Alternate Rates for Energy (CARE) and Family Electric Rate Assistance (FERA).

In encouraging enhanced integration between ESAP and other energy customer programs, the Commission seeks the benefits of greater energy efficiency and savings. Specifically, the Commission has defined integration and its benefits as follows:

Integration constitutes an organization's internal efforts among various departments and programs to identify, develop, and enact cooperative relationships that increase the effectiveness of customer demand side management programs and resources. Integration should result in more economic efficiency and energy savings than would have occurred in the absence of integration efforts.²

In alignment with Commission desires and as part of an overarching goal to offer customers holistic offerings, PG&E has organized service and delivery teams that integrate EE and ESAP, as well as Demand Response (DR) and Distributed Generation (DG, which includes the California Solar Initiative (CSI) and Self Generation Incentive Program (SGIP)). Additionally, PG&E has developed an internal integration team comprised of staff from these various programs and marketing and delivery channels. This team has been meeting on a regular basis since 2008 and collaborates with the other investor-owned utilities (IOUs) on the statewide Integrated Demand Side Management (IDSM) Task Force to leverage ideas and opportunities that have been identified internally.³ Taken together, these efforts will serve to increase the existing integration between ESAP and EE.

In addition, in 2012-2014 Low Income Application A.11-05-019, filed on May 16, 2011, PG&E continues to focus on integrated efforts through program, marketing and implementation coordination. Efforts being explored and implemented include:

¹ *Decision Approving 2010 to 2012 Energy Efficiency Portfolios and Budgets*, dated September 24, 2009, pp. 305-307.

² D.08-11-031, *Decision on Large Investor-Owned Utilities' 2009-11 Low Income Energy Efficiency (LIEE) and California Alternate Rates for Energy (CARE) Applications*, page 116, dated November 6, 2008.

³ The statewide IDSM activities are described in the Program Implementation Plan filed in PG&E Advice 3079-G/3595-E, and approved by the Commission with an effective date of March 12, 2010.

- Production of a comprehensive energy education guide to help customers better understand the sometimes complex nature of energy use and policy and how ESAP and EE programs compliment one another.
- Continued leveraging of ESAP and MIDI collateral for use in Whole Neighborhood Approach activities
- Continued development of streamlined messaging across utilities and programs that offer customers energy solution “bundles,” rather than individual programs.
- Cross-promotion of programs to similar customers. For example, enrolling customers in CARE after they enroll in ESAP.

PG&E has taken integration of EE and ESAP in several directions—from coordinating between programs and conducting joint marketing efforts to establishing pilots that can serve as examples for the state and the other IOUs. PG&E reported on these efforts last year in its August 2, 2010 report. The sections below provide updates on the specific PG&E programs that demonstrate the tight links between its ESAP and EE programs.

B. Direct Install for Manufactured and Mobile Homes Program

C. PG&E’s Direct Install for Manufactured and Mobile Homes Program is being implemented by Energy Efficiency, Inc., DBA Synergy EE. This EE program installs a comprehensive set of energy efficiency measures in the customer’s mobile home, at no cost to the customer. This program is concurrently provided at no cost to ESAP qualifying customers with mobile homes.

Synergy personnel introduces the program to mobile home park managers and owners. If these decision makers want to make the program available to park residents, the Synergy team then sets up a neighborhood meeting in a community site and delivers program information (a letter and flyer) to the residents. Synergy invites an ESAP Energy Partners representative to attend and participate with the Synergy marketing team at these meetings.

Residents who decide to participate can either set a date for a technician visit and installation of measures at the neighborhood meeting or call the company’s toll-free number for an appointment. Synergy’s process includes asking if the customer qualifies for the ESAP program and if they have ever received services from ESAP. ESAP-eligible customers who have never received ESAP program services will be provided for as follows:

- Those within Synergy’s service territory will be serviced by Synergy.
- All others will be submitted as leads to Richard Heath & Associates (the ESAP prime contractor), who will ensure delivery of the ESAP services.
- To date, 13,038 mobile home customers have participated in the ESA program.

D. ESAP Marketing and Outreach

The ESAP marketing and outreach initiatives focus on coordinating activities and advertising with ESAP service providers and other PG&E EE programs and rate options likely to reach low income customers. For example, PG&E requires its ESAP

contractors to inform customers about other programs (such as CARE) for which they may be eligible. PG&E combines its ESAP and CARE outreach activities to leverage low income outreach efforts and provide PG&E's low income customers with the knowledge and tools to access the full range of PG&E's free energy services.

ESAP marketing staff implements outreach initiatives to increase energy efficiency awareness and interest in hard-to-reach customer segments, leading to customer participation and enrollment in PG&E programs. Marketing and outreach initiatives include information about ESAP in multiple languages, including English, Spanish, Chinese, Vietnamese, Korean, Hmong, and Russian.

The Breathe Easy brochure was updated for 2011 and is attached to this report, incorporating CARE, FERA, ESAP, EE, DR and SmartMeter information in one place, is a prime example of integrated marketing. These programs are also cross-referenced on PG&E's website, www.pge.com. Further, information on ESAP and other EE and DR programs are included in the introductory information provided to customers when their SmartMeter is installed. The ESAP team is also working closely with the Statewide Marketing, Education and Outreach team to ensure coordinated efforts related to statewide branding and use of the statewide web portal for connecting customers to programs and information relevant to their needs.

E. Partnerships

PG&E's EE partnership agreements with public sector agencies, including cities, counties, and quasi-government organizations (e.g., associations of local governments), are designed to help these partners achieve energy efficiency in their facilities and communities. Leveraging and targeting communications to more effectively reach customers who have not responded to traditional utility marketing approaches, Partnerships funnel customers to PG&E's core and Third Party programs, as well as serve customers directly through local direct install programs.⁴ Working with Partnerships on customized approaches enables PG&E's programs to be creative and responsive to local needs.

Recognizing that Partnerships provide a vital channel for promoting ESAP, PG&E's Energy Partners program works with Partnerships to identify potential opportunities for integrating ESAP into outreach opportunities through presentations to community leaders and stakeholders. These presentations highlight the opportunity for eligible customers to receive energy efficiency improvements in their homes.

In addition, several PG&E Partnerships are working closely with Energy Partners to coordinate the Moderate Income Direct Install Program (MIDI) as described below.

F. Moderate Income Direct Install (MIDI)

The connection between EE Partnerships and ESAP is critical to implementing PG&E's MIDI program, which leverages the ESAP infrastructure to provide audit and installation services free of charge to underserved moderate income customers.

ESAP contractors regularly encounter customers who do not qualify for ESAP services,

⁴ For more details about PG&E's Local Government Partnership residential and nonresidential direct install programs, refer to PG&E's direct install assessment report, A.08-07-021, submitted January 22, 2010.

because they either have income levels above the ESAP income threshold (200% of federal poverty guidelines) or cannot produce the appropriate documentation. ESAP providers participating in the MIDI program are able to serve these non-ESAP qualifying customers by completing a home audit and installing energy efficiency measures, including comprehensive lighting, attic and pipe insulation, low flow showerheads, and faucet aerators—all at no cost to the customer.

Under the MIDI program, ESAP contractors receive Partnership funding to serve these moderate income customers. The local government partners work closely with the ESAP providers to identify underserved neighborhoods and leverage local social service and other community resources. The MIDI program implementer, Richard Heath & Associates, launched MIDI during the third quarter of 2010. Richard Heath & Associates has executed 12 contracts with local ESAP providers to deliver MIDI services in 14 counties throughout the PG&E service territory. To date, local ESAP providers have served over 500 MIDI customers.

The MIDI program also coordinates with PG&E's Energy Upgrade California program (see below) and initiatives funded under the American Recovery and Reinvestment Act (ARRA).

G. Energy Upgrade California

This program rolled out in August, 2010, and promotes the “house as a system” approach by providing customer incentives for comprehensive retrofits that improve a home's energy efficiency. The program outlines two upgrade paths:

- Basic (Prescriptive) Path: Includes individual measures—such as attic insulation, air sealing, duct sealing, and combustion safety—with required minimum energy efficiency performance values.
- Advanced (Performance) Path: Delivers comprehensive improvement packages tailored to the needs of each existing home and its owner and will include prescriptive measures, as well as major heating and cooling systems, and hot water systems as appropriate.

Customers can receive incentives up to \$1,000 for the basic path and up to \$4,000 for the advanced path.

PG&E's teams are exploring the feasibility of integrating ESAP and Energy Upgrade California and the MIDI program (see above). The MIDI program is a channel for offering measures to customers who fall just outside of the ESAP eligibility requirements.

Further, customers inquiring about Energy Upgrade California will receive information on ESAP as appropriate. Energy Upgrade California and ESAP program staff are discussing which Energy Upgrade California marketing materials should contain summary information on ESAP and CARE/FERA.

H. Home Energy Efficiency Rebates (HEER)

All of the ESAP-EE integrated outreach is aimed at encouraging customers to participate in EE programs by applying for rebates. Examples of outreach that link ESAP to EE rebates include the Breathe Easy direct mail brochure, which links low-income pages to EE pages, and collateral and presentations provided directly to customers at community events and meetings.

I. Multifamily Affordable Solar Housing (MASH) and

J. Single family Affordable Solar Housing (SASH)

The MASH program provides incentives to owners/operators of multifamily affordable housing units to encourage them to install solar units on their buildings. Since launching MASH in early 2009, PG&E has held numerous online and live training sessions for applicable customers on the value of integrating PG&E's low income program offerings, and specifically, on the value of installing energy efficiency technologies prior to installing solar technologies.

While PG&E's MASH Track 1 incentive budget is fully subscribed, PG&E along with the other MASH Program Administrators have received approval from the CPUC to postpone the MASH Track 2 cycles in 2011 while a decision by the CPUC is made to reallocate unused Track 2 incentive budget to MASH Track 1. PG&E has 36 completed MASH applications in 2010 through Q1 2011.

PG&E is also working to further integrate its EE and ESAP program and services with the SASH program. For example, PG&E has been leveraging interest in the SASH program to promote energy efficiency by regularly working with the program administrator, GRID Alternatives, to jointly promote the respective programs to a qualified list of customers. Through partnering with the SASH program, ESAP has received 231 new enrollments between January 2010 and the end of Q1 2011.

K. Multifamily Energy Efficiency Rebate Program (MFEER)

L. MFEER offers property owners and managers incentives for installing energy efficient measures, slated for the retrofit of existing multifamily properties of two or more units. ESAP outreach is integrated into outreach for MFEER. For example, when multifamily property owners/managers participate in the MFEER Program, they receive a welcome packet that includes descriptions of the CARE/FERA programs and ESAP. CARE/FERA programs and ESAP are also promoted at MFEER outreach events and property owner/manager conferences. Income-eligible residents may enroll in ESAP to receive measures not provided by the MFEER program.

M. Workforce Education and Training (WE&T) Programs

The Energy Training Center-Stockton (ETC), one of the Workforce Education and Training (WE&T) Centergies programs, has supported training for ESAP programs continuously for 32 years and is the focal point for substantive integration of the WE&T energy efficiency program with ESAP WE&T. ETC support for ESAP includes the following:

- Training for weatherization specialists (installation crews) and energy specialists (assessors/educators); and
- Assistance in managing a CPUC pilot program with LA Trade Tech Community College and the San Francisco Office of Economic and Workforce Development to test options to decentralize portions of ESAP program training.

To address coordination with community college and Workforce Investment Board recipients of federal and state funding for green jobs, PG&E expanded its PowerPathway program to create the PowerPathway Training Network on Energy

Efficiency and Renewable Energy (PPTNEE).

PPTNEE supports the ESAP workforce by preparing members of the disadvantaged communities for jobs in their communities while keeping green career ladders and stackable credentials in mind for a pathway toward rewarding careers. This new program was formed by a competitive request for applications sent to all community colleges in PG&E's service area. Six community colleges were selected to be part of the PPTNEE and receive assistance in developing entry-level EE training, mentoring of instructors, and submitting grants. Further, ETC will articulate training with PPTNEE to reduce the time and expense of centralized training.

The WE&T Connections school programs also provide services for hard-to-reach and disadvantaged communities. The Energenius and PEAK WE&T K-12 programs track participation by ZIP code and will set quantifiable goals related to low income and disadvantaged student communities.

N. Demand Response

The ESAP team is working with the Demand Response team to include SmartAC in the local roll-out of ESAP programs. PG&E's ESAP team is also working with contractors (Energy Specialists) to ensure that SmartAC opportunities are not missed when installing other EE measures in ESAP-qualified homes. In particular, the team is targeting HVAC contractors who are working in the ESAP program in order to identify opportunities to sign up customers for the SmartAC program.

The purpose of this pilot is to increase customer participation in the SmartAC program by using the existing ESAP program as a marketing and outreach channel to promote SmartAC. The Energy Specialist will spend a small amount of additional time on-site presenting the SmartAC program to the customer, introducing the technology options, answering any questions and, if successful, enrolling the customer in the SmartAC program. SmartAC technicians will then return to install the SmartAC device at the ESAP customer's home.

To date, there is a single Energy Specialist enrolled in the ESAP-SmartAC Pilot. This Energy Specialist has submitted approximately 662 SmartAC referrals, 160 of which have transitioned to SmartAC installations. Based on these numbers, SmartAC will be exploring expanding the pilot to include additional Energy Specialist Affiliates.

O. Conclusion

Coordination of the 2010–2012 residential energy efficiency programs with ESAP is occurring at various stages including internal coordination, project initiation, consolidation of program outreach, program delivery, and process enhancement and refinement. The leveraging of these opportunities is helping to ensure that customers are presented with seamless opportunities to participate in, and maximize benefits from, PG&E's programs.