



DRA

*Division of Ratepayer Advocates
California Public Utilities Commission*

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April 28, 2011

Honorable Nancy Skinner
California State Assembly
Capitol Building, Room 4126
Sacramento, CA 95814

RE: AB 1124 (Skinner) – Support if amended

Dear Assemblymember Skinner:

DRA (Division of Ratepayer Advocates) is an independent consumer advocacy Division at the California Public Utilities Commission (CPUC). DRA's statutory mandate is to obtain the lowest possible rate for utility service consistent with reliable and safe service levels. DRA also advocates for customer and environmental protections in connection with utility service.

DRA supports the goals of AB 1124, which would deliver increased energy efficiency savings and associated health and welfare benefits to low-income renters living in multi-family buildings. This goal is consistent with California's commitment to affordable energy for all households and would also help ensure that low-income households are able to take advantage of the energy efficiency benefits we all pay for in our electric and gas bills.

DRA recognizes that AB 1124, which would promote taking a whole building, performance-based approach to rental apartment buildings, may increase benefits and savings. However, preliminary data on heating and hot water systems installations in California indicate that savings are not materializing for low-income customers receiving these improvements in single-family dwellings, possibly due to low heating usage to begin with.

Furthermore, DRA is aware that the San Diego Gas & Electric Company has proposed a pilot program to bring the types of services required in AB 1124 to approximately 1,000 units in 20-25 buildings beginning this year. DRA believes this pilot is an adequate test of whether such a program will deliver the expected benefits. SDG&E's proposal is on the agenda of the Low-Income Oversight Board meeting scheduled for May 11, 2011 in San Francisco.

Rather than AB 1124's current approach of changing LIEE program rules statewide to allow the installation of heating and hot water systems, DRA suggests that AB 1124 be amended to direct the CPUC to conduct a pilot program that installs heating and hot water systems in buildings and then evaluate the results to ensure that the retrofit programs achieve the expected benefits.

DRA recommends that this bill be amended to (1) require validation of the projected benefits in a small-scale pilot, (2) ensure the benefits of improvements accrue to low-income households. Specifically, DRA suggests:

1. Through a pilot program, retrofit no more than ten apartment buildings of various sizes and in varied climate areas with services currently available through all ratepayer-funded and federally-funded energy efficiency programs designed to serve low-income rental buildings. To the extent that none of the programs provide services recommended by the energy audit, permit inclusion of these additional services (which may be common area and common system improvements) during the pilot.
2. Require the benefits of energy retrofits made in low-income apartment buildings to accrue to the tenants. If low-income renters pay the costs of the electric and gas usage of their dwelling and building, benefits of energy efficiency improvements can be reasonably expected to accrue to the occupants of these rental dwellings.
3. Report the results of the pilot, including changes in energy usage, appliance and system efficiency improvements, and in health (improved indoor air quality) and comfort (better protection from outside weather conditions) in the appropriate forums of each program.

DRA looks forward to working with you to ensure that low-income Californians have access to safe, reliable energy and share in the efficiency improvements that deliver benefits to all the people in the State of California.

Respectfully,

Joseph P. Como, Acting Director
Division of Ratepayer Advocates

By
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