**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

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| Application of PACIFIC GAS AND ELECTRIC COMPANY for Approval of 2013-2014 Energy Efficiency Programs and Budget (U 39 M) | Application 12-07-001<br>(Filed July 2, 2012) |
| Application of San Diego Gas & Electric Company (U902M) for Approval of Electric and Natural Gas Energy Efficiency Programs and Budgets for Years 2013 through 2014. | Application 12-07-002<br>(Filed July 2, 2012) |
| Application of Southern California Gas Company (U904G) for Approval of Natural Gas Energy Efficiency Programs and Budgets for Years 2013 through 2014. | Application 12-07-003<br>(Filed July 2, 2012) |
| Application of Southern California Edison Company (U338E) for Approval of Energy Efficiency and Demand Response Integrated Demand Side Management Programs and Budgets for 2013-2014. | Application 12-07-004<br>(Filed July 2, 2012) |

**REPLY COMMENTS OF THE GREENLINING INSTITUTE
ON PROPOSED DECISION IMPLEMENTING 2013 – 2014
ENERGY EFFICIENCY FINANCING PILOT PROGRAMS**

RYAN YOUNG
The Greenlining Institute
1918 University Avenue, Second Floor
Berkeley, CA 94704
Telephone: 510 926 4018
Facsimile: 510 926 4010
E-mail: ryany@greenlining.org

August 22, 2013

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# REPLY COMMENTS OF THE GREENLINING INSTITUTE ON PROPOSED DECISION IMPLEMENTING 2013 – 2014 ENERGY EFFICIENCY FINANCING PILOT PROGRAMS

## I. INTRODUCTION

On June 25, 2013, the Commission issued its Proposed Decision (PD) Implementing 2013-2014 Energy Efficiency Financing Pilot Programs. Pursuant to Rule 14.3(d) of the Commission's Rules of Practice and Procedure, The Greenlining Institute (Greenlining) offers the following reply to the opening comments that the parties have submitted on the PD. Specifically, we address the comments and concerns that many parties have raised regarding: 1) the omission of a low-moderate-income single family financing pilot and 2) recommendations to coordinate data collection efforts across energy efficiency programs. Additionally, we seek clarification that PG&E's proposal to initially limit Energy Financing Line-Item Charge (EFLIC) participation to CRHMFA Homebuyers Fund (CHF) should not be interpreted as a proposal designed to exclude potential lending partners.

## II. DISCUSSION

### a. The Commission Should Adopt a Low-Moderate-Income Sub-Pilot.

Greenlining supports the central goal of the Commission to develop "innovative financing programs to ensure the financing instruments are available to all users, *particularly underserved segments of energy users* [emphasis added]."[1] Greenlining joins several parties in noting that omitting a moderate-income program undermines this important goal. We agree with the Joint Utilities that eliminating a moderate-income pilot will have a "negative consequential impact by leaving a gap in program offerings, and also with respect to the associated collection and evaluation of pilot program data going towards the effectiveness of and demand for these offerings."[2] As noted in our Opening Comments on the PD, developing financing offerings that meet the needs of credit-challenged working families is critical to meeting the state's energy efficiency goals. Lagging participation rates in this segment are likely to persist in the absence of programming that meets these households' unique needs. Overcoming these obstacles will allow us to access tremendous untapped energy savings. As such, we join stakeholders in their call for specific pilots and program design that targets moderate income households using strategies such as line-item billing combined with alternative credit underwriting criteria.[3]

[1] PD at 8.
[2] Joint Utilities at 8-9.
[3] *See* EDF at 14; MEA at 4.

**b. PG&E Should Clarify Its Proposal to Limit EFLIC Participation.**

Greenlining has on numerous occasions expressed support for line-item billing and consequently supports the Commission's decision to implement EFLIC in conjunction with the Single-Family Direct Loan Program (SFDLP). However, we have concerns that PG&E's proposal to limit participation in the sub-pilot to the CHF[4], as currently articulated, will be misinterpreted as barring additional lenders from participating in the SFDLP and EFLIC programs. Based on telephone conversations with PG&E, Greenlining understands that the PG&E proposal is intended to leverage CHF's existing portfolio to test and develop EFLIC functionality until a master servicer is hired in the first quarter of 2014. It is also our understanding that that when the master servicer comes on board, the program will then be opened up to additional lending partners, including mission-driven financial institutions and foundations with an interest in serving credit-challenged and otherwise underserved populations. As such, we look forward to reply comments that clarify PG&E's intention in implementing EFLIC.

**c. Data Collection Should Be Coordinated With Existing Efforts.**

Recognizing that a broader workforce data collection effort is currently underway in the Energy Savings Assistance (ESA) program and mainstream Energy Efficiency portfolio, we recommend that the EEFE data collection be coordinated with these other initiatives. We agree that coordination of data collection will "assure that the data collected by the utilities will equally inform the development of a rate-payer funded energy efficiency financing program and parallel initiatives directed at increasing energy savings and workforce and career development goals."[5]

[4] PG&E at 12.
[5] CILMCT at 3.

## III. CONCLUSION

Greenlining appreciates the opportunity to reply to comments on the Proposed Decision Implementing 2013-2014 Energy Efficiency Financing Pilot Programs. We look forward to the Commission's final decision on this matter and encourage the adoption of pilots designed specifically to help moderate-income working families overcome first-cost barriers to participating in energy efficiency.

Respectfully submitted, Dated August 22, 2013

/s/ Ryan Young

Ryan Young
Environmental Equity Legal Counsel
The Greenlining Institute
1918 University Avenue, Second Floor
Berkeley, CA 94704
Telephone: 510 926 4018
Facsimile: 510 926 4010
Email: ryany@greenlining.org