



October 17, 2016

Note: This letter was written based on the original decision text released on August 16, 2016, which has since been amended. However, the recommendations still apply.

Dear Commissioners,

The organizations listed below urge the Commission to approve Commissioner Sandoval's Alternate Proposed Decision (APD), which would beneficially transform the Energy Savings Assistance Program into one that provides not only significant health, safety, and comfort benefits, but one that will also now focus on achieving significantly increased energy and bill savings for low-income households.

The changes proposed by Commissioner Catherine J.K. Sandoval over the next four years would align the ESA program with the state's recent environmental justice and climate laws, including the requirement to double energy savings by 2030 and reduce greenhouse gas emissions 40% by 2030.

The APD would lead to an expansion of the \$375 million low-income efficiency program by offering more benefits to the eligible program population of 5 million underserved customers, including new services for low-income multifamily housing customers, and align the program with California's overall energy and equity policies – all without increasing the budget.

After nearly five years of formal proceedings in the prior and present ESAP dockets, our organizations appreciate the clear guidance and direction established in the APD as to how ESAP can be improved.

In particular, we jointly support the APD in:

- Explicitly requiring ESAP to serve common areas and central systems in multifamily buildings in which low-income families reside, subject to ASHRAE Level I and II audits;
- Requiring utilities to meet modest and achievable energy-savings goals now while continuing to meet customers' health and safety needs;
- Eliminating the 3-measure-minimum and go-back rules, if an energy savings goal is established;
- Adopting several new energy saving measures, such as LED lighting, building commissioning, and water heating, to go into effect now; and
- Maintaining cost effectiveness screening at the portfolio level.

We recommend the following five additional improvements:

1. Create an opportunity for additional program changes in 2018 even while funding extends through 2020;
2. Create a Low-Income Mid-Cycle Coordinating Committee or Sub-Committee to organize and facilitate stakeholder collaboration on continual improvements to the program's offerings, leveraging the one established in the general-income efficiency program;
3. Require high-quality ASHRAE audits to determine all household and common area measures and funding levels for a given multifamily property;
4. Ensure utilities have full flexibility to offer new measures on an ongoing basis and at a household-specific level, so long as the measures don't lower the overall program's cost-effectiveness; and
5. Revise the interim energy savings goals to ensure they are greater than what utilities expected to achieve under existing program policies.

We urge the commission to adopt Commissioner Sandoval's APD, with these modifications, to bring ESAP into the state's new era of equity and greenhouse gas reduction mandates while providing significant benefit to low-income renters and residents who need it the most.

Sincerely,

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Natural Resources Defense Council

Les McCabe
Global Green

Tanya Stevenson
Breathe California

Shannon Baker-Branstetter
Consumers Union

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Jena Price
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