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REPLY COMMENTS OF RISING SUN CENTER FOR OPPORTUNITY ON ADMINISTRATIVE LAW JUDGE'S RULING SEEKING COMMENT ON FUTURE OF REGIONAL ENERGY NETWORKS

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REPLY COMMENTS OF RISING SUN CENTER FOR OPPORTUNITY ON ALJ FITCH'S RULING SEEKING COMMENT ON FUTURE OF REGIONAL ENERGY NETWORKS

I. Introduction and Background

In accordance with the Rules of Practice and Procedure of the California Public Utilities Commission ("CPUC" or "Commission"), Rising Sun Center for Opportunity ("Rising Sun") respectfully submits these reply comments on the *Administrative Law Judge's Ruling Seeking Comment on Future of Regional Energy Networks* ("Ruling") from our perspective as a mission-driven nonprofit organization and energy efficiency program implementer for hard-to-reach residents. Rising Sun is Bay Area nonprofit with offices in Oakland and Stockton with a focus on equity, climate, and jobs. Since 1994, Rising Sun has offered training and employment programs to underserved youth and adults.

Rising Sun designed and has implemented a residential energy efficiency program since 2000 (ratepayer-supported since 2006), one that trains and employs youth to deliver energy efficiency services to residents at no cost to them. To ground the comments that follow in experience: to make that program "cost-effective" in the current framework would mean terminating employment for 100 low-income young adults, shrinking from serving 6 counties to 2 cities, and eliminating services to 2,000 underserved residents. We don't agree that that would have been an effective and responsible use of ratepayer dollars. We have seen our nonprofit partner organizations close their doors because, currently, our only real, valued metric for program value is the TRC. When we don't count all of the benefits these types of programs deliver, when we choose to omit those benefits, we risk concluding that those programs "aren't worth the money". This means that the people and communities who need these programs most don't get them.

We should not make this mistake in a decision regarding the future of the RENs.

II. General Comments and Framework

We want to respectfully share our concerns about equitable customer access to and benefit from ratepayer-funded programs and amplify the importance of ensuring that underserved customers benefit from ratepayer-funded programs. To that end, we ask that the Commission and other stakeholders to consider the following:

1) How do the RENs currently contribute to the CPUC vision's "to advance equity in its programs and policies for Environmental Justice and Social Justice (ESJ) Communities"[1]? With their directive to serve hard-to-reach customer segments (which may overlap with ESJ communities), what role do they play in achieving that vision?
2) In the third-party paradigm, how do we collectively ensure that hard-to-reach customers, underserved markets, and disadvantaged communities equitably benefit from the programs they help to pay for?
3) Who is best equipped to serve hard-to-reach, disadvantaged, and underserved communities? Who is incentivized to serve them? How are those programs resourced and prioritized?
4) To what extent does the current cost-effectiveness framework (the TRC) measure and value equity?
5) Will ratepayers benefit equitably from a decision to limit the RENs? If not, which stand to benefit, and which stand to lose out?

III. Specific Responses

The Public Advocates Office raises concerns about the "potential profitability for third-party bidders"[2] if RENs continue to operate in the energy efficiency marketplace. This raises a few questions for us: while we don't fault companies for seeking profit, what is the impact of raising the question of profitability in a discussion about the effective use of ratepayer dollars? In a profitability framework, who has access to and benefits from energy efficiency programs? Should only customers that generate profit be served by the programs they help to fund? All of these questions bring us back to equity.

The second part of the profitability argument relates to preserving an "optimal energy efficiency portfolio."[3] We support an optimized portfolio – provided that it isn't optimized at the expense of individuals and communities who need services the most.

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[1] CPUC Environmental and Social Justice Action Plan, p.6
[2] Opening Comments, Public Advocates Office, p.11
[3] Ibid.

Lastly, the profitability argument erases the third-party implementers that do *not* operate for-profit that are nonetheless participating in the solicitation process – like nonprofits, CBOs, local governments, etc. Unfortunately, that may be the practical reality of aspects of the solicitation process: the playing field is simply not level, for reasons that we have raised previously.[4]

We agree with the PA that "there is little headroom in the statewide portfolio to cover activities with low cost-effectiveness"[5] – we simply draw a different conclusion: that we therefore need to make more room for programs that demonstrate impact, value, and benefit beyond a TRC number – such as effectively serving the hard-to-reach. That is what CBOs, nonprofits, local governments, and the RENs do.

I. Conclusions

We trust the good intentions of everyone involved in these proceedings and discussions; we share these comments with the hope of avoiding unintended consequences. We appreciate the opportunity to provide input and the Commission's consideration of our perspective.

Date: April 26, 2019

Respectfully submitted,

By: _____/s/_________

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[4] A.17.01.013 et al, Opening Comments of Rising Sun on EE Business Plans Proposed Decision, p.9
[5] Opening Comments, Public Advocates Office, p.6