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June 20, 2006

VIA OVERNIGHT DELIVERY

DOCKET	
06-NSHP-1	
DATE	<u>Jun 20 2006</u>
RECD.	<u>Jun 20 2006</u>

Docket Office
California Energy Commission
1516 Ninth Street
Sacramento, CA 95814

Re: Docket 06-NSHP-1: California Solar Initiative and New
Solar Homes Partnership Affordable Housing Comments

Dear Docket Office:

Attached is an original and eleven copies of the "Comments of Southern California Edison Company Concerning the California Energy Commission's and California Public Utilities Commission's June 13, 2006 Joint Workshop on the Role of Affordable Housing in the CEC's New Solar Homes Partnership and the Commission's CSI Incentive Program" in the above-referenced docket that was served and submitted electronically for filing today, June 20, 2006. We request that a copy of this document be filed stamped and returned for our records. A self-addressed envelope is enclosed for your convenience.

Please do not hesitate to contact me at (626) 302-6699, if you have any questions.

Very truly yours,

Christine M. Sanchez

CS:as:LAW#-1285432

Enclosure(s)

Comments of Southern California Edison Company Concerning the California Energy Commission's and California Public Utilities Commission's June 13, 2006 Joint Workshop on the Role of Affordable Housing in the CEC's New Solar Homes Partnership and the CPUC's CSI Incentive Program

I. Introduction

SCE commends the California Energy Commission (CEC) and the California Public Utilities Commission (CPUC) for jointly sponsoring the June 13, 2006 workshop to gather information on what role affordable housing plays in both the CEC's New Solar Homes Partnership (NSHP) and the CPUC's California Solar Initiative (CSI) Program, and how these programs should be structured to best fit affordable housing community needs. The workshop discussions demonstrate that a great deal of interest exists among the key stakeholders concerning the appropriate role of affordable housing in the two programs and that further workshops may be necessary to properly develop and implement this aspect of the CSI and NSHP. SCE supports these efforts, and appreciates the opportunity to provide comments on this topic.

II. Discussion

A. A Separate Administrator for the Low-Income and Affordable Housing Component of the CSI Is Unnecessary

One question that arose during the CPUC's presentation on the affordable housing and low-income component of the CSI program is whether a separate administrator for this program component is needed. SCE does not recommend that a different or separate administrator be tasked with administering the affordable housing and low-income elements of the CSI program. Instead, the utilities should be tasked with administering all aspects of the CSI and the NSHP in their territories, including the low-income and affordable housing program components.¹

As SCE previously commented in the context of both the CSI and the NSHP, the utilities are in the best position to leverage existing delivery infrastructure to coordinate program administration with accounting and rate recovery for any program funding shifts, energy efficiency program requirements, marketing and outreach, system inspection and approval for interconnection to the utility grid, and Net Energy Metering billing. Although there could be other outside agents able to provide some of these resources, efficiencies will be lost with a third party administrator. Utilities also have strong relationships with the developer and builder communities, as well as a network of community agencies and private contractors who deliver energy efficiency measures to low-income customers through contracts with SCE, SoCalGas and State agencies. For

¹ Although the topic of a separate administrator for the low-income and affordable housing component was raised in the context of the CSI only, SCE has previously advocated that the utilities should administer both the CSI and NSHP programs.

these reasons, SCE believes that the utilities are in the best position to administer both the CSI and the NSHP.

It is clear from the workshop discussion that the specific needs of the low-income and affordable housing community should be carefully considered in the development and implementation of this program component. SCE agrees. However, the introduction of another program administrator is not necessary to achieve this. Rather, a separate program administrator would most likely result in a level of complexity for program administration that is simply not needed and could potentially impact the delivery of program benefits to the affordable housing stakeholders. SCE is also concerned that overall program efficiencies will be lost or diminished if there is a different administrator for the affordable housing and low-income components of the solar programs, as increased coordination activities will be required with the at-large administrator(s) of the CEC's and CPUC's solar programs.

Moreover, the funding source for a separate low-income and affordable housing program administrator for the CSI has not been established. A separate administrator for the affordable housing and low-income component was not contemplated in Decision 06-01-024, and thus it is not clear that such administration could be accommodated by either the ten percent revenue requirement set-aside for overall CSI program administration or the ten percent revenue requirement set-aside for incentives for affordable housing and low-income customers.

B. Integration of Low Income Energy Efficiency Programs with the Affordable Housing Component of the CSI and NSHP Programs

A significant amount of the workshop discussion centered on the integration of the affordable housing component of the CEC's and CPUC's solar programs with the Low Income Energy Efficiency (LIEE) programs currently offered by the utilities. At the conclusion of the workshop discussion, CPUC Commissioner Grueneich indicated that the CPUC is interested in exploring LIEE programs for multifamily affordable housing in the upcoming LIEE program years. Commissioner Grueneich further indicated that in order to perform a comprehensive review of LIEE programs for multifamily affordable housing, further direction will be provided to the utilities to identify any additional information needs. Commissioner Grueneich was also interested in learning whether additional LIEE funding would be needed to support the affordable housing component of the NSHP.

SCE supports the development of the affordable housing and low-income components of the CSI and NSHP, and looks forward to further exploring how to best integrate LIEE programs with the CPUC's and CEC's solar programs. SCE looks forward to receiving any additional guidance that the CPUC may provide in the context of the utilities' LIEE programs to develop additional information on the integration of LIEE with the affordable housing components of both the CEC's and CPUC's solar programs.

III. Conclusion

SCE appreciates the opportunity to comment on the various affordable housing workshop topics discussed at the joint workshop on June 13, 2006. SCE also looks forward to participating in future joint workshops on this important aspect of the CSI and NSHP programs.

Respectfully submitted,

Manuel Alvarez