BEFORE THE
CALIFORNIA ENERGY COMMISSION

In the Matter of: ) Docket No. 09-OII-1
 )
Order Instituting Informational )
Proceeding American Recovery )
and Reinvestment Act )

THE AMERICAN RECOVERY AND REINVESTMENT ACT

STAFF WORKSHOP

CALIFORNIA'S STATE ENERGY EFFICIENT APPLIANCE REBATE
PROGRAM GUIDELINES

1516 Ninth Street
First Floor, Hearing Room A
Sacramento, CA

THURSDAY, NOVEMBER 19, 2009
10:00 A.M.

Reported by:
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STAFF PRESENT

Lorraine White

ALSO PRESENT

Paula David
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MS. WHITE: Good morning everyone. This is Lorraine White with the California Energy Commission. Today we are holding a staff workshop on the California State Energy Efficient Appliance Rebate Program Guidelines and Associated Environmental Documentation.

With those of you on the Web and attending remotely, the format for today is to actually go through staff presentation and then to allow for comment and questions after the presentation. Hopefully, many of your questions will be answered as part of the discussions that I will be going through about the guidelines themselves, and our environmental evaluation. For those of you who do have questions that you would like to ask, or make comments, if you would please use the raised hand function and I will be able to then allow you into the teleconference, you will be prompted to give your phone number for a call-back, and then you will be allowed to ask your questions or make your comments. And we will be going through one at a time as we use this function, to allow everyone to hear your question and it to be piped through the audio.

We are also transcribing this meeting and recording the contents for availability on the Web in the event there are others who are not able to attend, and also
for us to be able to establish a record for this meeting.

Without much further ado, let me make some logistical announcements for those of you who are actually attending in person. We have a snack shop at the top of the stairs, I welcome you to get some coffee or make yourself comfortable, and I am hoping to not have this be too formal a discussion, but we do have some refreshments in the snack shop available for folks. In the event that there is an emergency, an alarm will sound, I will direct everyone to actually exit the building, and then give you all information on when we will be allowed back in. I do not expect that to actually occur, but it is always good to have some forewarning in the event it does.

If you need to use the facilities, they are up the double doors and to the left, and then also another set is actually behind the elevators here on the first floor. So with that, let me go ahead and get started on what we will be discussing today.

As part of the American Recovery and Reinvestment Act, the Energy Commission is participating in the State Energy Efficiency Appliance Rebate Program. As is required by state law, we need to establish guidelines, make those guidelines available for public review and comment, formally adopt those guidelines, conduct an environmental review to assess the potential for adverse impacts, and then, if
necessary, recommend appropriate mitigation. So the purpose
of today's meeting is to go over the guidelines that we have
established as a framework for this state program, that
would allow us to participate in the Federal effort, and
then also, the results of our environmental analysis, which
I think are actually quite positive. Again, my name is
Lorraine White; I am the Program Manager here at the Energy
Commission. With me today, we also have Paula David and
Peter Strait, they are assisting me in this effort, so in my
absence, if that were to ever occur, you can always rely on
Paula and Peter.

The agenda today is to essentially give the
context for the State Energy Efficient Appliance Rebate
Program, some background and overview of how we got here,
and discuss what California is proposing in terms of our
guidelines. Specifically, we are looking at a program
structure and the rebates that we are going to be offering
and the eligibility criteria in order to claim those
rebates. Of course, as I said, we will also be discussing
briefly our environmental review results. We will be
looking at the schedule for the program and the program
roll-out and, specifically, I want to discuss some of the
next steps for the near term. Much of the overall program
schedule is dependent on our timely success and effective
implementation of these next steps.
As I mentioned, I would very much like to hear from you, I would like to know if you have any questions about what we are proposing and provide any comments for our consideration. Again, for those of you attending remotely, you do have a raised hand function through the WebEx system, and then that will allow me to select you for joining the teleconference and allow you to call in and ask your questions.

The State Energy Efficient Appliance Rebate Program is one of several ARRA-related activities that the Energy Commission is the lead for. I mention here that we are also the lead for the Energy Efficiency and Conservation Block Grant Program, which is made available to local agencies. We have about $50 million that we will be providing in grants to local agencies to assist them with various types of energy-related projects. We also have the State Energy Program which is about $225 million, which actually is open to a variety of different uses, private and public. For the State Energy Efficient Appliance Rebate Program, we are looking at an allocation from the Federal Government on the order of $35 million. All of the information about our recovery-related activities is found on our website, it is prominently featured on our main page and a map of the state with the American Recovery and Reinvestment Act Notice there on top of it. And, in fact,
in the lower left-hand corner is the icon that you can click
on when you see it on our main web page.

Before we get into the specifics about the State
Energy Efficient Appliance Rebate Program, I just wanted to
touch on some of the over-arching goals that have been
specified for ARRA-related activities. And specifically
these are priorities that are enumerated in the Governor's
Executive Order. All of the documents, as I said, are about
our ARRA programs, and the way we implement them, the
priorities and policies that dictate what must be done in
these programs is available for public review on our
website, including the Governor's Executive Order. But
primarily, in this particular instance, I have highlighted
or bolded some of those aspects of the priorities that most
pertain to the State Energy Efficient Appliance Rebate
Program. In particular, what we are hoping to achieve
through these stimulus efforts is not only a stimulation of
the economy, but doing so in a very efficient manner that
helps to reduce energy use. Of course, we would like to
attract and retain industry and create jobs in the state,
but when we implement these programs, we are required to do
so in a very efficient and cost-effective manner. These are
public funds, we have a fiduciary responsibility to manage
them as efficiently as possible, to be accountable for them,
to have transparent processes, to use those funds, to
augment existing programs or activities, leverage other
dollars or other programs, whether public or private, and
that we would like to see the effects of these programs to
be a positive, long-term effect that allows us to create
self-sustaining programs that build on partnerships with
public and private entities. In particular, we would like
our effects on energy use to be lasting and measurable.
These goals and objectives are very consistent with the
policies and program guidelines that we have laid out
through our Integrated Energy Policy Report through the
Energy Action Plan; it is consistent specifically with the
State's Loading Order. The Appliance Rebate Program was one
of those activities that will help us with our appliance-
related goals and activities to expand the efficiency of
these devices that everybody has in their homes,
conservation is key to achieving the state's goals, it is
the first and foremost amongst the loading order objectives,
and in particular these are also policy goals that are
consistent with the Air Resources Board's Scoping Plan, an
effort to help us achieve the state's greenhouse gas
emission reduction goals mandated by AB 32. To a lesser
extent, of course, there are issues about expanding the use
of bioenergy and to take advantage of renewable development
wherever possible.

Specifically, when it comes to the State Energy
Efficient Appliance Rebate Program, the Department of Energy enumerated particular objectives. We want to use the replacement of old inefficient appliances as a way to save energy. And to encourage that, we are offering consumers rebates, specifically residential consumers. We want to make the rebates available to all residential consumers within a state, or a territory, or a region, that is participating in the program, leverage the funds that are being offered by the Federal Government with existing rebate programs and other partnerships, specifically these are to augment, not replace, or displace, any other kinds of programs. We want to keep the administrative costs as low as possible. The Energy Commission has taken this task very seriously, not only because it makes good sense, but we really do not have at the state level additional funds that we can spend to cover administrative costs, or to cover over-subscription of these rebates. So it is very important for us to keep as much of the costs associated with the program as low as possible, while at the same time, of course, providing that transparency, that accountability, monitor the effects of the programs, and to be able to provide accurate reports to the Federal and State Government so that they know what the effects of these efforts really are.

In terms of the guidelines, the guidelines
specifically address, in very brief terms, some of the
background about the program and provide references to the
foundation of the program and its development. It explains
the structure and the process that California is going to go
through in order to implement the program. We specify the
eligibility rules, what appliances will be covered, what
rebate amounts, what are the eligibility requirements for
actual recipients, what types of information will they have
to provide, and then also to generally lay out the claim
process. One note to make here, we have also the intent to
hire a contractor and, as part of that contracting process,
more details on the actual claim process will be made
available to everybody. And then, of course, we lay out a
target schedule for the program.

Now, the context in which this program is being
developed and implemented actually originates with the
the opportunity for the Federal Government to provide funds
to states, territories, District of Columbia, to augment or
supplement their rebate programs and offer these rebates to
residential consumers for the replacement of inefficient
appliances. And, as I said, it is intended to augment or
supplement existing programs, to leverage those
partnerships, and those activities, and to expand the
effectiveness of those activities. It grants states the
ability to define the appliances that would be included in a program and the rebate amounts. Essentially, it is the responsibility of the state to make those proposals to the federal government; they would review them and approve them, and grant the funds.

Now, the program under EPAct was never funded, it was not until the American Recovery and Reinvestment Act was passed that funding was provided. And the funding is basically formula based, based on California's population and those of the other states and territories. There is about $300 million available nationally; California, based on that formula, is targeted to get $35.2 million to run our program. The program is actually administered through the Department of Energy at the federal level. The Department of Energy has made some additional specifications; they define energy efficient appliances as at least Energy Star, so Energy Star appliances are, you know, the starting point for any appliance consideration, any brand model involvement in the program, and eligibility for rebating. It must be available to all the residential consumers in a state or territory, and it is to the residential consumers, not people like landlords or commercial businesses, not owners of commercial properties or things like that. So there are certain restrictions that Department of Energy has provided us, which we have incorporated into our guidelines, and are
reflecting through the development of the specific
applications and things like that which will be produced
between now and the actual launch of the program.

They specify 10 preferred categories of appliances
from which they can choose, in particular, the Energy Star
Program defines what is an appliance and what is not. So,
for example, a television under the Energy Star Program is
an electronic device, not an appliance. Now, that is a
difference than in California, in California we define a TV
as an appliance. So rather than try and go through an
exhaustive justification, we decided to keep the program on
track and expedite the deployment of the program, and that
we would choose only among those 10 categories of
appliances. As part of the program, you have to provide as
much of the $35 million in the rebates, you can spend at
most 50 percent of the ARRA funds on your administrative
costs, and the other 50 percent has to be supplied by the
state, it is a cost-share requirement. Now, in California,
our goals and objectives are to try and keep those
administrative costs about 10 percent or lower, rather than
have those costs be any higher. So, as a result, we are
talking about administrative costs, at most, around $3.5
million, with ARRA funds only being allowed to be spent on
about half of that and the state having to come up with the
other half. There are specifications for reporting and
documentation. We will have to do regular reporting to DOE and to other entities of the federal government to ensure accountability and transparency, and that we have done everything we are intending to do.

And DOE has recently asked all states to provide information on how they are going to verify that the old appliances are, in fact, replaced. And they encourage heavily that what they mean by replaced is recycled.

California already made a decision before this dictate came out that we were going to require recycling of the old appliances as a tenet of the program. Yes?

AUDIENCE: So that is a California rule, not a DOE rule?

MS. WHITE: The question is, is that a California rule, not a DOE rule. The way that DOE is interpreting "replace" as specified in EPAct is that means the appliance has to be off the grid, okay? Now, DOE cannot mandate that you actually recycle the appliance, but they are telling states that they would prefer the appliances be recycled to ensure that they stay off the grid because if you refurbish and resale, then it is coming back on the grid, but they have no authority to mandate the states, actually institute a recycle program. Now, we do not have that problem because, in California, we already have programs in place, and I will talk about that later. But essentially, they are
interpreting the definition of "replace" as that old appliance is coming off the grid.

AUDIENCE: Just one more question. Is that for all three appliances?

MS. WHITE: That is for all three appliances, and actually they are specifying it for all appliances in the states' and territories' programs. Yes?

AUDIENCE: [Inaudible].

MS. WHITE: Now, the question was does the appliance have to be working. In our application to DOE, and in our guidelines, we were asking that the appliance be working, okay? Now, the question is going to be, with our partners, particularly our utility and retail partners, how easy is it going to be for us to show that? And if it is not going to be possible, then we will have to revisit that tenet. But right now, we are asking that the replaced appliance, even though it may be clunking along and not working perfectly, that it at least be able to work to some degree. Now, this may be that the fan runs, but it does not get cold, and that is why you are replacing it anyway, but we need to be able to demonstrate -- one of the tenets of the program has to be that we prevent fraud, abuse, and waste. And one of the ways that some of the utility programs have actually done that is to ensure that the replaced appliance that is being pulled out of the home had
worked, or is working, and that is why the appliance was
being replaced, and it is coming off the grid, it is not
something that somebody pulled out of the garbage, or pulled
out of a garage that has been sitting in there forever, and
not really doing anything. And we have adopted that
approach.

Now, we are still in process of getting our
application approved by Department of Energy. The money is
not in our bank account yet, so we have not -- one of the
reasons why we have not been able to start our program and
offer the rebates. The initial application, the whole
process about obtaining these funds began at the end of July
for the Energy Commission, we put together our initial
application August 15\textsuperscript{th}, we were able to define our
comprehensive program plan and submit it to DOE by October
15\textsuperscript{th}, by the deadline, and we are expecting that, now having
answered all their questions and giving them clarifications
on our program, that we will be awarded funds no later than
November 30\textsuperscript{th}. What we are targeting is that we will then be
able to institute our contract for rebate processing, and
launch a program by spring of 2010. Overall, the federal
program for the State Energy Efficient Appliance Rebate
Program is actually going to run through February 17\textsuperscript{th}, 2012,
or until funds are exhausted, whichever comes first, and
states and territories are directed to ensure that all of
their funds are exhausted by at least February 17th, 2012.

In addition, we will be doing regular recording and
documentation on how much we have provided in terms of
rebates, what we have given rebates for, and how much is
left in our accounts.

The program guidelines define what California is
adopting as the state's structure. The program is going to
be overseen by the California Energy Commission, we are in
the process of defining how that process is going to run, we
are actively seeking partnerships with private entities in
order to help meet our match. We do not have the financial
resources within the state, especially under our current
budget crunch, to actually meet the administrative match
requirements on our own, so we are very dependent on the
assistance of utilities, retailers, manufacturers,
recyclers, marketers, buyers, and the like. To date, we
have in fact been able to secure the assistance and
commitments from two major appliance retailers, several
utilities, and we are also working with recyclers, the
Department of Toxic Substance Control and Integrated Waste
Management Board, to ensure that the recycling element runs
smoothly for consumers. These types of partners will be
providing us things like website support, marketing, design
assistance, reproduction of documents, distribution,
consumer outreach, different kinds of reporting, sales
information, and of course sales representative training.

This is going to be very important for us because a lot of
the interface with consumers is not going to be necessarily
done by the Energy Commission, but actually done by the
retailers themselves, so groups like Sears and Home Depot
become very important partners because they are going to be
in direct contact with a lot of the consumers. Question?

AUDIENCE: Will you be announcing who the partners
are --

MS. WHITE: Yes.

AUDIENCE: -- on your website?

MS. WHITE: Yeah. We are going to be providing a
notification of all our partners. We are going to be
particularly trying to provide information to consumers on
what those providers will be able to give the consumers, for
example, Sears can do a delivery of the new appliance and
haul away and guarantee of recycling of the old appliance,
and provide that documentation to the consumer. It is
almost like a one stop shop, but it is actually two stops --
you purchase the appliance, and then they deliver it and
give you all the documentation. We are hoping that if we
can get some of the other major retailers involved, that
they too will be able to provide those kinds of services.
The goal is to have it be as straightforward a program for
consumers as possible, while still meeting all of the tenets
defined by the federal government and the State of California, to get these old appliances out of the system and handled properly.

We are also going to be having a third-party contract because we expect there -- there is going to be quite a volume of interest in the rebates, these rebates are also going to be offered over specific periods of time, and so we will not be able to ramp up staff here; to do that, we need some really skilled individuals to do so.

In terms of eligibility for consumers, we have specified in the guidelines some of the requirements for the consumers in order to be able to claim a rebate in California. First and foremost, you have to be a California resident, second, you need to purchase from a California retailer, and you need to do so within a specified purchase period. Yeah, we have had a lot of calls about retroactive rebates, "Gee, I purchased an appliance two years ago, can I get my rebate?" No. We are going to be very clear on our webpage when the rebates are going to be valid, and this is something consistently done throughout all types of rebate offerings. You can only qualify during a particular period of time and you are disqualified if you purchase outside of that. I will get to that, and I will talk a little bit more about the period that we are considering here and how we are approaching it.
In terms of our other specifications for consumer eligibility, you have to actually buy a qualified new appliance, not a re-used one, not a refurbished one, it has got to be a qualifying new appliance, and I will talk about what qualifies as an appliance. And it has to replace an appliance of the same type. So you cannot get a refrigerator to replace a room air conditioner sort of thing, you need to be able to get a refrigerator to replace a refrigerator. You have to recycle the replaced appliance and provide documentation of that, and I will talk about that in a bit. And then, you need to be able to claim your rebate within 30 days of the purchase of the appliance. Now, this is very important for us because we need to be able to track and provide accurate information to other potential participants in the program what monies are available. And this is our way of trying to ensure that we can control over-subscription, because we do not want to have a lot of disgruntled people who go out, buy a lot of appliances, thinking they will be able to get the rebates, and folks sit on their applications for those rebates too long and we run out of funds. Yes, yes, and this gets to the 30 days of purchase -- in our discussions with retailers, most will deliver within three days, and if they do the haul away, and they are approved to give you the proper documentation, you get that documentation within
three days. The actual appliance, then, becomes the responsibility of the retailer who is participating in our program to actually get recycled properly, and that is one of the reasons we are trying to work out these partnerships with retailers who can help do the delivery and haul away, to assist consumers with these kinds of activities. The appliances that are eligible, of the 10 categories that DOE defined, we felt that in California the most reasonable would be able to offer the greatest opportunity for consumers to participate in this program, were to include clothes washers, refrigerators, and room air conditioners. Now, it is not every clothes washer, every refrigerator, or every room air conditioner. In terms of the clothes washers and refrigerators, they need to meet three criteria; they have to be certified to the California Energy Commission. In California, we specify minimum efficiency requirements for all appliances. If the appliance is not certified to the State of California, California Energy Commission, as meeting those minimum requirements, it is not legally supposed to be sold in the state. So that, at the minimum, has to be the case. DOE specifies, in order to be eligible for a rebate, it has to be Energy Star listed, well, that is a subset of those that are certified to the California Energy Commission. And then, for clothes washers and refrigerators, as I said, we are relying on the Consortium
for Energy Efficiency Super Efficient Home Appliance Initiative. The reason why we are doing this is we took example from many of the utilities in California and the types of rebates that they are offering. In particular, for clothes washers, Tier 2 or greater. For refrigerators, Tier 2 or greater. This still provides a significant list of available models with many different price points that consumers can choose from, and this was the goal. We wanted to be able to use these rebates to significantly help the state achieve some of our energy efficiency goals, and provide that incentive to consumers to buy the most efficient appliance to meet their needs, and to ensure that that offering is a pretty significant list. And when you go through and look at these lists of clothes washers, refrigerators, and room air conditioners, you see it is a nice selection. Now -- we are talking about a couple -- just a second -- we were asked how many within these categories. For room air conditioners, it is about 900; for refrigerators, it is around 600; for clothes washers, I think it is around 300 or 400, so a really good selection and various price points, as I said.

Now these criteria must be met by the manufacturers no later than December 15th, 2009, in order to be included in our list, which we will be publishing no later than January 1st, 2010. We will make it available on
our website with all our retail partners, with our utility
partners, and so on.

AUDIENCE: Will the list be limited to those that
--

MS. WHITE: Yes. Our list will be limited to
those that satisfy all three criteria, yeah.

AUDIENCE: [Inaudible].

MS. WHITE: No. Because we need to be able to get
the information out to retailers, and I will talk about when
we are planning on launch, and we need to be able to ensure
that consumers can start planning for these purchases, we
cannot continually update this list during the program.

Once we finalize that list January 1st, that is going to be
the limited selection. Now, the reason why we have done the
appliance selection the way we have, we have considered the
types of appliances California has purchased, where they
purchase them, these are pretty ubiquitous types, everybody
needs a refrigerator, everybody needs a clothes washer, and
many regions of the state need air conditioners. We have
other ARRA programs that are addressing large HVAC systems;
we did not have anything that was addressing room air
conditioners. So we are using this program to help address
the room air conditioners, which were a need that had not
been met through other ARRA programs. Other ARRA programs
deal with things like water heaters and solar units, and
things like that. This is the only program that can address some of these other appliances. We wanted to look at the benefits of recycling and early retirement and try and get as big a bang for the buck as we can. And, in particular, with refrigerators and with air conditioners, and the refrigerating stuff they use, the fact that we can get some of the older units out of the system that may be leaking or using more hazardous or more potent greenhouse gas emitting refrigerants, and replace them with better models, that was an added benefit. And we also wanted to look at the costs and the cost differentials between non-compliant appliances and a compliant eligible appliance, and to provide a rebate offering that really addressed that differential and provided the incentive that would make it easier for someone to decide, "I want to choose that energy efficient appliance versus this other."

I want to focus on the recycling of the appliances, in particular here. And this is a really important issue for the State of California. We have for years trying to address the issue of proper handling of certain types of materials that are in appliances, particularly toxics and like mercury and PCBs and things like that. We have established programs through the Integrated Waste Management Board and through the Department of Toxic Substance Control to try to properly handle and
dispose of those appliances to the extent possible, recycle all of the metals, things like the steel and the plastics, whenever possible, and to keep those things out of our landfills. In addition, EPA has what they call the Responsible Appliance Disposal Program; it is a voluntary program, nationwide. They have many utility partners, including several here in California. Our investor-owned utilities such as PG&E, Southern California Edison, San Diego Gas & Electric, SMUD is a participant, City of Palo Alto and Burbank, and to date, Sears happens to be the only retailer, but they hopefully will not be the last. And in particular, this program certifies that these folks will voluntarily dispose of appliances that they are removing from residences in a responsible manner, and recycle them when appropriate. We are, as I said, coordinating with our partners, DTSE and Integrated Waste Management Board, to make this part of the program as convenient for consumers as possible. As I said, we will be trying to work with people in the other retail stores to see if they can catch up with folks like Sears. We are going to make sure that consumers know who is a part of these programs and who is not, and what they can do for them, and then to ensure that those retailers can provide the appropriate documentation to consumers. Yes?

AUDIENCE: If a consumer buys an appliance from
not one of your partners, how will they go about getting the
documentation that has that retail [inaudible] recycled?
Are they going to be able to do that?

MS. WHITE: Yes. The question was how do you get
the documentation if you do not buy from our retailer that
is one of our partners. And I am glad you asked the
question because I kind of skipped over this coordinating
what partners, DTSC and Integrated Waste Management Board.
What we will be provided is information on recyclers who are
certified to properly dispose of appliances listed on the
sites under the California Appliance Recycling Program, the
red hyperlink here is that list will be ensuring that that
link is on our website, directing people to DTSC's list.
The list is extensive and there are recyclers all throughout
California. We are going to be working with the Board and
DTSC to make sure that those recyclers get documents that
they can use and hand back to consumers so that they have
got a legitimate receipt for having dropped off that
appliance. We are also working with associations like the
American Recyclers Association, ARCA, and JACO, they tend to
have many representatives throughout California and we will
be working with them as the umbrella organizations to ensure
that their memberships know the types of requirements that
we have.

Now, there are some program restrictions, these
are not really negotiable, really, because they are just the facts of the matter here. The funds are limited.

California was only granted $35 million, and we do not have any money to backfill over subscriptions, so the rebates will be given on a first come, first serve basis. So as soon after the rebate period starts, we are encouraging people to get their documentation together, and submit those applications to California. We are hiring a third party to process those claims as quickly as possible, and verify the legitimacy of those claims, and to get the checks out as quickly as we can. Yes, ma'am?

AUDIENCE: Will you be able to provide consumers with some type of update --

MS. WHITE: I will get to that in just a moment. The other thing that we are requiring is, to ensure that we have as broad a participation as possible, we are limiting the rebates to one appliance from each category per valid California resident. The appliances need to be installed. This is a requirement to demonstrate that the old appliance was replaced. It is kind of a no brainer. The purchases outside the offer period will not be honored, so if you buy it last year, or this month, you buy it two months after the rebate period, you are disqualified. Purchasers must allow access to possible inspection. Now, this gets to a requirement that we may have to institute to address product
use and waste. We might be the ones that do the inspections, we may have to rely on utility partners, and we may be able to rely on retailers. That is an aspect of the program we have not fully defined, but in the event that it is required to ensure that we can verify that the rebates were legitimately granted to eligible recipients, that has to be a component of our program.

Now, in terms of the claims, the guidelines specified those things that may be on the documentation, the types of things that may be on the rebate application. We tried to think of everything that we possibly could that we may have to include on that application, and granted, not all those things may be included, but they may. The other thing that we are going to be requiring is a proof of recycling, and we have listed all the things that may be required on that document. Again, maybe not all of it, but certainly we needed to be able to define the possible scope of requirements on those forms. We will be requiring either a copy of an original receipt, or an original rebate receipt, and the reason why we will be requiring an original rebate receipt is some of the retailers will have the capacity to offer that to a consumer, and if you give me a rebate receipt, I do not want a copy of it, I want the original. If you can only give me the original receipt, then a copy may be fine, but the copy has to be able to
define where you bought it, how much you paid, what model
you bought, and when you bought it.

AUDIENCE: Excuse me. Court Reporter, would it be
possible to have the people with questions use any of these
mics which are live?

MS. WHITE: I have been trying to repeat them as
we go.

AUDIENCE: Very good. Okay, thank you.

MS. WHITE: She asked could we define a rebate
receipt. We are working with our retail partners to make
sure that that can be done, and we will be providing that
information on our website. Our rebate receipt is
essentially if you go to someplace like Sears, for example,
and you want to be able to have a rebate receipt for Kenmore
Dishwasher model XYZ, they will actually be able to define
on a receipt that that particular item, not your entire list
of purchases, but that particular item, what you paid for
it, and the tax you paid on it, what date you bought it, and
give you the appropriate information, so it is basically
giving you just a receipt for the item that is going to be
rebated, not your entire list of purchases.

AUDIENCE: [Inaudible]

MS. WHITE: This is going to be -- she was talking
about a point of purchase rebate, this is actually a mail-in
rebate program, it is not a point of purchase or instant
rebate program. The reason for that is because of the
documentation we need to have in order to satisfy the claim
is legitimate and meets the tenets and requirements of the
program. We may also be requiring a purchaser's utility
bill. This would help us to validate residency. The other
thing that we may be asking for is a UPC label or its
equivalent, some kind of marker from the packaging itself
that, if you take that off, you cannot after you get the
rebate return the appliance. This may not be needed,
especially if a retailer does the delivery installation and
haul away of the old appliance, they can provide you
necessary documentation on the forms they give you.

Now, in terms of the process itself, it is kind of
straightforward. But, again, a lot of the details will need
to be worked out as we go through our contract process. But
what we are looking for is a company that can receive these
documents, the claims, the application, document, the claim,
and to be able to verify all of the documents. We will want
them to be able to record and track those claims, provide
information to consumers on the status of their claim,
possibly through like a 1-800 number, or a website, or
something like that. We want the rebate processing firm to
be able to provide us information on the valid claims,
either have them pay in advance, and we reimburse them in
arrears; if that is not possible, we will be then working
with the State Controller's Office to have those rebate companies provide us with the appropriate documentation for all valid claims and the backup material for them, and the State Controller's Office would issue the checks. Now, the process is going to be in place, of course, by shortly after the first of the year, after we have awarded the contract and gotten the processes in place, all of the calling numbers and things like that will be available, websites, before the roll-out period, and we will provide as much consumer assistance as we can through those vehicles so that a consumer can understand where their claim is, how to make the claim, where we are in terms of the availability of funds, what the actual rebate period is, and have the opportunity to ask a real person questions or get information.

AUDIENCE:

MS. WHITE: The question was, would the documents and information and the calling number be available in more than one language. And we have had that request made of us, and we are going to be trying to address to some degree in the RFP the request of potential bidders, that if they can offer that service, to let us know. We thought that was a very good idea and we would like to take advantage of that possibility. If we can, we will do so, and have particularly the rebate processing firm help us with that.
Now, in terms -- and I will get into a lot of the schedule stuff here in a little bit -- but one more question, yes?

AUDIENCE: Sorry, back to rebate claims.

MS. WHITE: Back to rebate claims.

AUDIENCE: You had mentioned that there would be forms that you are developing and those will be available to utilities to help employ them, as well as retailers.

MS. WHITE: The question was, would the forms be available to retailers and utilities, and we are going to make them available to all of our partners, particularly since the partners have, in most part, pledged to help us with consumer education and outreach. So, of course it makes sense to make sure that they have the documents consumers would need to make the claims, to understand what needs to be included in the claims, and so we are definitely going to be asking our partners to help us develop some of those forms, we have already began those discussions starting in September, and we are hoping to complete those forms shortly and get them out to people. The issue, of course, is particularly with the retailers, giving them enough lead time to help us with the document reproduction and getting them into their retail stores and such. Yes?

AUDIENCE: I assume those forms will also be on your website?

MS. WHITE: They will be on our website -- with
instructions. We are trying to make it available in as many venues and different vehicles as we can. The main repository for all of this, of course, is going to be our website, but we will be branching out with the help of others. Yes?

AUDIENCE:

MS. WHITE: The question is, would the consumer have to apply for a rebate to the utility first, and then ARRA. In fact, we are envisioning it, because it augments, it does not supplant, it is not in place of, it is not sequential to, a consumer can develop an application for the ARRA rebate, the utility rebate, the retailer rebate, the manufacturer rebate, all at the same time if they want. Because we are not basically saying, "You only get an ARRA rebate," we are actually trying to get people to take advantage of as many rebates as possible because ours is to be in addition to, not to replace or displace, and the goal is, if a consumer goes out and buys a product, say in SMUD's territory, and SMUD is offering $100 for a refrigerator, and we are offering $75 for a refrigerator, well, they get them both, and they can apply for them at the same time. Can we hold that comment until later? And then that way, especially when we start the comment period and you have things that you want us to consider, because I am not going to be able to repeat those. The questions, as we go
through, are easier. I would like you to actually stand up
to the podium and make sure that people on the phone can
clearly hear us and that we can get the recording.

Now, the other thing that we did was do an
environmental review of what we were proposing to do in
terms of our program. Unlike some of the other ARRA
programs where the guidelines basically provide a framework
and the specific activities that we will be funding will be
subsequently reviewed under CEQA, we are basically defining
an entire program and needed to define what we think the
overall impacts of that overall program are from an
environmental standpoint. And this is the project. Our
program is the project.

As we went through what we were trying to
accomplish, the number of appliances we are hoping to
replace, how we are proposing the old appliances are
disposed of, and the potential hazardous materials within
them are handled, the types of potential energy savings,
perhaps replacing 400,000 appliances could result in using
information provided us by DOE on the formulas to make these
calculations, as well as some of our own calculations and
information from Air Resources Board, we actually came up
with a pretty good environmental benefit picture as a result
of this program. In addition to stimulating the economy, we
are looking at being able to reduce energy demand by 32
gigawatt hours a year. You know, that is not huge, but it is a good amount. And as a result of that, reduced CO₂ by .015 million metric tons, a significant reduction in criteria pollutants per year, look at particularly with the number of washing machines we are hoping to replace, also get a water demand benefit by reducing water demand associated with laundering by 945 million gallons a year. Now, that is nothing to shake a stick at; that is a great kind of a response from this kind of program.

We are also working through existing recycling programs to make sure that the old appliances that are taken off the grid are in fact disposed of properly and, where appropriate, the types of materials within them are recycled, cleaned up, and re-used. Yes?

AUDIENCE: Just a quick question. So these numbers are in addition to the existing appliance rebate programs through utilities?

MS. WHITE: Yes, the question is, are these numbers in addition to those types of benefits being defined by existing programs. And, yes, we are defining them as in addition to, because we are hoping that we are having a positive increase in the number of participants in these kinds of programs, that we are providing that extra incentive to get the folks that are on the fence that maybe would not participate in the rebate program, go out, by an
appliance, an energy efficient appliance, instead of a less
efficient appliance, and have these kinds of positive
effects.

AUDIENCE: Sounds great. From a utility point of
view --

MS. WHITE: If that is a comment, can I ask you to
save it until the end? Because I am almost done.

AUDIENCE: Can I ask just if you have that ratio
of increase is?

MS. WHITE: In terms of what we are looking at --
the question is, do we have an idea of what that ratio is,
and in the Negative Declaration, we talk about the current
percentage of the market share that Energy Star products
have in California, and what we are looking at is increasing
that market share. For some of these appliances, and I will
have to look up the exact number for you because I do not
have it off the top of my head, but we are -- in the funding
opportunity notice provided by DOE, and actually on DOE's
website for their Energy Star Program, they talk about the
different market shares nationally and in each state of
Energy Star appliances within current purchases. And we
were given 2008 numbers, the market shares that Energy Star
products have in California -- there are thousands of
appliances purchased in California every year, millions,
actually, and the market share for certain appliance
categories that we have chosen is not that high, you know, 25-30 percent, and we are hoping to get it closer to 40, and have the number of less efficient appliances in the market share go down. And so that is what we are shooting for, that is our goal and objective for the program, and that is why we are talking about these things being in addition to.

Now, as I said, the overall federal programs duration is through February 17, 2012, or until funds run out. All the reporting and the documentation and all of the different activities have to be concluded by February 17th, 2012. We are looking at initiating our really offer period some time in the spring of 2010, and as our guidelines specify, we are looking at one or more periods, and these periods would actually have a start and an end date, the idea, again, is to try and control over-subscription, ensure that we have an opportunity to look at the effectiveness of the program that we have defined, make any kind of adjustments, if there is money left over, possibly offer another rebate period, make any kinds of tweaks to the program that are necessary, or, in the event that things are running great, but we still have a little money, we may extend the one period. And the reason why I want to give you these examples is because of your concern about the 30-day limit for claiming a rebate, and in particular, so let's say we offer a purchase period March 17th to April 22nd in the
spring, and we have got our three appliances defined, we have got our model list out there for everybody to know, we have got information on who our partners are, what services they can provide, we have information on all of the different recyclers out there that consumers can go to after they purchase the product, get it installed, and take the old one out. Essentially, then, we could actually be processing claims any time between March 17\textsuperscript{th} and May 22\textsuperscript{nd}, so the day that we actually start the program, if somebody gets their stuff together and mails in something postmarked March 17\textsuperscript{th}, well, we can start processing that claim. If they cannot get things in place, they do not purchase it until April 22\textsuperscript{nd}, and they cannot get everything together until May 22\textsuperscript{nd}, get that postmarked and send it in to us, then we will be processing that one. But the idea, because funds are very limited, and one of the reasons why we are also defining a very specific claim period, is we really want people to understand it is first come first serve, if you dilly dally, you really may lose out on the opportunity to get the rebate.

AUDIENCE:

MS. WHITE: In terms of how soon we are going to be able to issue the check to the consumer, that is the question, right now we are hoping that, as we go through the contract process for the rebate processing firm, one of the
criteria is going to be how quickly they can actually process a very high volume of claims in California for products we have defined under the program criteria, how quickly they can validate the claims, and all of the documentation associated with it. Now, we have had all sorts of discussions with different rebate companies and they are all over the board in how long it takes them to actually process claims, some as few as three days, depending upon how much you require, some as long as two weeks, and then of course it will also depend on whether or not they can issue the check, or we have to wait until State Controller issues the check, all of that before the rebate period has even started will be defined and will be defined as a result of the contractor we choose. The goal is to choose the highest qualifying, least cost contractor that can in fact perform to meet the goals and objectives of the program, including speed and accuracy and documentation and trackability, all of those things are going to be in the requirements. And I am sure I am scaring a few of those rebate companies on the WebEx right now, but we are going to be asking a lot of our partners, and particularly a rebate processing firm. In part, because we do not have a choice. We need to be able to meet the tenets of the program and we also want to make it as beneficial to the consumers as possible so they can get their rebates as quickly as
possible.

In terms of our schedule, now today's meeting, talking about the negative declaration guidelines is intended for us to get some information that we may be able to incorporate in any kind of changes that would be required. We will probably be more able to address some of those comments and concerns in terms of the contract process. We are hoping to adopt the Negative Declaration in the guidelines on the 16th of December. This is critical because we really cannot start the contract process until those guidelines and that negative declaration is in place. So we are going to be looking to, in order for us to start in the spring, getting those kind of structural program documents approved and in place so we can really start implementing the rest of the program. Our target date is December 16th. What we hear today will, of course, influence our request for proposals on the rebate services; we hope to publish that on the same day that we get our program approved, but that is in an ideal world. So we are hoping miracles do happen in California and that we are able to do this in a very timely fashion. January 6th is our currently targeted deadline for bids on the RFP. We recognize that this is a very tight timeframe, but we are directed to start this program as soon as possible, whether under federal objectives or the objectives of our own state.
administration. And we want to be able to have the contract in place in February so that we can actually roll out the rebates in March. Our tentative start date is, of course, Saint Patrick's Day, we all think green, it should be fun, I am looking forward to being able to work on the promo part for that start date, it should be a good time.

AUDIENCE:

MS. WHITE: Oh, they want to know what our schedule is compared to other states. Well, there are some states that are actually able to just do their programs right now, and they will be having their offerings before Christmas. There are others who will be doing theirs in the summer of 2010, maybe a little later. As you may be aware, and this does affect our schedule quite a bit, not every state runs a rebate program. California, the State of California, does not run a rebate program, we are starting from scratch. We are trying to work with our utility partners and our retail partners to make sure we do not step on toes, that we learn from what you have done, that we compliment your programs, but, again, we are creating a program from start and other states are having to do the same, especially some of the smaller states and they are finding it a real thrill.

AUDIENCE: Who are the other states that have started?
MS. WHITE: The question is what other states have started and, you know, to be honest with you, about the middle of September, I stopped really paying attention to the other states because we had to get California's program really cranking. So on the DOE website, they have much more information about the status of the implementation of the program overall, in almost all the states and territories, so I would encourage you, of course, if you are interested in that, to take a look at what DOE has.

Specific next steps. I am very interested in getting feedback from folks and I want to remind those who are listening remotely, we will be getting to your questions and comments after the presentation, it has just been easier to accommodate some of the discussions here directly with those who are in attendance here. But we do want to hear your comments and get your public input. We have requested that there be comments submitted to us already for the topics we were covering today in the workshop. We did receive some questions, which I tried to address in the presentation, but if there are more, certainly we are very interested in hearing those comments and questions. We would also very much like to have DOE's approval of our comprehensive plan, which we had submitted in October. They are expecting that they will be able to provide final approvals for all the plans no later than the end of
November. It could happen tomorrow, but it also could not happen until the end of November. We are looking to approve the structural documentation for the program on the 16th of December, as I discussed, our environmental determination of no significant impact, the Negative Declaration under CEQA, and our California State Energy Efficient Appliance Rebate Program Guidelines. If that is actually accomplished to issue the solicitation right on the heels of that, in an ideal world, after the Business Meeting on the 16th, we would be able to publish that RFP. If we are not able to accomplish that, those dates that I talked about here, of course, for the deadline bids and the contract and all that stuff, and the tentative date, of course, will also slip. But that is why this is so imperative that we can get that solicitation material out and get those other documents approved. And then, as a result of the solicitation, we will be finalizing the actual claim process and all of the elements of the form, get those documents up on the Web, get that information out to our partners, try to start the consumer outreach and development of the documents and distribution to retail outlets and so on and so forth.

Now, for additional feedback, as part of our Notice for Consideration of Adoption, we have additional comment period. We are asking that people provide us any kind of comment or feedback on the guidelines and the
environmental documentation no later than December 11th, 5:00 p.m., and that those comments be directed to our docket for this proceeding. This proceeding is the overarching American Recovery and Reinvestment Act Proceeding, so we have been trying to take advantage of all of the different types of input, have a one-stop-shop for all ARRA-related things, and that docket number is 09-0II-1. So that I know that your comments relate to my program, in the subject line or first line, or what have you, if you could please specify ARRA SEEARP, that would be very helpful. And, of course, you can e-mail them, or hand deliver, or mail to our Dockets Office. Now, specific information, I provide these things to folks so that you can look at these sites. Now, if you have some additional questions, if you would like copies of documents, if you would like to follow-up on certain requirements for the recycling program, if you are looking at the federal website and where they are at with their recovery efforts and programs like this, if you have general questions about what California is doing, you can e-mail us at appliances@energy.state.ca.us.

Now, for questions and comments, what I would like to do is, as I said, for those here in the room, especially for comments, if you could go to the podium and ask your questions or make your comments, so we can have everybody on the phone here, it would be appreciated. And then I am
going to be looking to those who have called in, if you
could use your raised hand function, I would be able to
unmute you, get you a teleconference number, and we can
start the questions and comments. Are there any here?

There is and we are waiting for her to come up to
the podium.

MS. WYNN: This is Cheryl Wynn with Southern
California Edison. I had a question on the slide where you
were showing the energy savings, and I know that the
utilities also work with the Department of Energy in terms
of the sales of Energy Star qualified appliances in
California. I just wanted to make sure that we are not
double counting in those results.

MS. WHITE: Right. This is where some of the
reporting, especially with our partners, is going to be very
important because we have already had some discussions with
your utility and the other utilities about needing to get
information on the effectiveness of your programs, because
we have to demonstrate to the Department of Energy that our
program, in fact, augmented yours, was supplemental, that
these are in addition to types of savings. Now, if it turns
out that there is double counting, we will need to work with
the utilities, especially, to identify what the effects from
the marketplace actually were, and how those can be
attributed to either your programs or our programs. How we
actually do that is not yet defined. I am sure it will end up having to evolve over time as we look at the specific reporting requirements that DOE is going to inform us of. We do not have all that information right now. It actually will be given to us when we are notified of our award. But we are aware that there could be an issue of double counting.

MS. WYNN: Okay, and then most of my questions relate to more of the rebate process. I do also have headaches from processing rebates, so I totally understand what you are going through right now. I wanted to start with the list of qualifying models in that you are not going to update that list after January 1, yet the program is going to continue through -- I believe it is 2012. So you may want to rethink that. I can see also with having rebate periods or promotional periods, I am surprised you have not gotten any feedback from retailers. I know from the utility standpoint, when we would have limited funding for our rebate programs, that was a really big issue with them because they said, "You guys are having funding for rebates, they're on again, they're off again, we can't really support those activities with our advertising plan, and so we really don't want to play if that's going to be the case." Another comment that I have on the process is the 30-day turnaround period; although I like that 30-day period, I just do not
know how practical it is when you are requiring that
customer to make a purchase, to have it delivered, to have
it recycled, and then maybe there is an inspection prior to
payment of a rebate. Should I keep going?

MS. WHITE: Yeah, please.

MS. WYNN: My other comment is, on the once a
customer applies for a rebate, and the appliance is on the
CEC list, but it is not on the utility list, so you may want
to think through that, and then also, once a customer
submits their application, I am sure they want to know
exactly what is the status of that payment, whether or not
-- I know as a consumer, I would be concerned if I had no
idea whether or not I am going to get that incentive if
there is no way that I know whether or not my application
has been received and the funding is there to pay for it.

MS. WHITE: I want to at least respond to a couple
of the comments. The first is retailers. In fact, in our
meetings that we have had with retailers, because the funds
were limited, all of the major retailers recommended that we
choose a very distinct period, no longer than a month.
Right now, we are looking at possibly six weeks, but it
would be on a first come, first serve. They would prefer a
much smaller period of time because of the issue of over-
subscription and what you are talking about, not knowing
whether or not they have the funds available for a purchase
they have made, and that they want to get a rebate for. So, although we have talked about an example of that period, you know, that is probably the longest, that five-week, we would consider because it is very important for us to make sure that we can reassess, you know, define an activity, get as many people to participate, control over-subscription, have time to evaluate whether or not that program did what we needed it to do, if there are funds leftover, what we would like to do, maybe with a subsequent offering or something like that. But we do not know what the effects of this program are going to be. We have a lot of requirements, as you know, and those requirements are to some degree actually required as part of the program, especially on accountability, and documentation, and transparency, and validity, and all that kind of stuff. The recycling issue, we are hoping to deal with and make as expedient for consumers as possible, but that, too, is -- from what we see in California -- it is really a requirement because you need that appliance off the grid permanently, but you do not want that appliance in the trash. So you really need to make sure it gets recycled. And then, in terms of being able to track the actual claim on behalf of the consumer, those are some of the things that we are really looking to rebate firms being able to do, who choose to bid, because they are the ones who will know where the claim is in terms of
review, and many of these firms do offer 800 numbers, they
do have people that can, you know, man different kinds of
call centers, they handle this kind of volume, they have the
program set up that would allow them to track, and so we are
looking to find the right rebate processing firm that can do
that for us, so the consumer really knows where they stand.
We will be trying to make sure that our website and any
other websites are linked with as current of information as
we can possibly get, even if that means that rebate
processing firm gives us reports daily. We do not want to
be in a situation where we have got a Cash for Clunkers
problem on our hands. Yes, Janis?

MS. ERICKSON: Janis Erickson with the Sacramento
Municipal Utility District. First, I want to say this is a
really nice job. I know you were worried about this when we
met at the Energy Star meeting and I think it has come
together --

MS. WHITE: Petrified?

MS. ERICKSON: Yeah, that deer in the headlights
look was what I remember. But it looks like this has come
together pretty well and you have tried to keep it at a very
high level. I do have a couple of concerns, I think they
are almost all able to be worked on, and let me just
delineate those for you. First, as Cheryl said, the updates
to the appliance listing, since they are not going to
reflect the new models from January 1st, 2010 through
February 17th, 2012, I think that may be a real issue for the
manufacturers and for coordination with existing utility
programs. We have existing methods of keeping up with and
tracking the products list and I just would like for you to
reconsider how that might work and what we might do to
assist that getting better.

MS. WHITE: Actually, if I might. One of the
reasons why we were looking at more than one offer period
is, during that reassessment of the effectiveness of
program, what we were able to accomplish, and what was
occurring, is if we have to amend the guidelines, because
any change we would have to amend the guidelines to actually
implement, so in the guidelines we specify what the initial
requirements are for the program if, as part of the
implementation and the first run we find that we need to
make changes, then we can revisit the guidelines and amend
them. We, of course, have to do that through a public
process, we would notify everybody, we get language on what
the amendments are. So the reason we are trying to give a
deadline now is we have notified manufacturers, especially
those who are Energy Star listed, but not certified to
California, they need to at least be also certified to
California if they want to participate in our program. We
already have contacted them and there has been actually a
flurry of activity since we did that in September.

MS. ERICKSON: Good.

MS. WHITE: But we also know that, you know, this program could run incredibly fast, and we have been told by some consultants, depending on how you set it up, a program with this little money, spread throughout the entire state, could be done in less than a month. So we want people well in advance of the launch, especially the retailers, to know what inventory they have to have in the store for this March date, and to educate their staffs. So they have asked for that final list no later than two or three months in advance of the launch. And we are trying to accommodate that. Plus it also helps to let you folks know what that risk is going to look like. But we can, if it turns out that we do not go through the money as fast as some have said, have a second offer period, update those lists, make any kind of modifications to the structure of the program as necessary, and then have a second offer. That is an option because we do have so much time to actually run the overall program in California, it does not have to end in California on, you know, Earth Day 2010, if we have money left.

MS. ERICKSON: Yeah, and I understand your premise and agree, especially -- and maybe I did not understand this right -- is you are going to put the money out there for a period that is fairly short, not the full time period?
MS. WHITE: Right. So the offer period would have
a beginning and an end. And then, after that end, we would
be able to evaluate how much money was committed and how
much money is left, and what types of appliances actually
were rebated as a result of the program, and then, if we had
money left, reevaluate the overall structure of the program.
Do we have to change the appliances? Maybe we only ever got
requests for refrigerators, maybe people do not want a
washing machine or room air conditioner, or March was a
really bad time to ask people to buy a room air conditioner,
I am not sure what the actual requests are going to be, what
the claims are going to be. So that distinct beginning and
end helps our retailers, it helps us then determine if any
subsequent changes over the remainder period of the program
need to be made.

MS. ERICKSON: Okay, that raises a new concern.

MS. WHITE: Oh, sure.

MS. ERICKSON: For utilities that are committing
to do marketing for this, if you run out of money and we are
still marketing and it causes us excessive costs to adjust
everything, so I remain concerned about that, how that might
work.

MS. WHITE: And what we are trying to do is make
sure that, around the end of the year, people know exactly
what is rebated, how long the rebates are going to be
offered, and educate their consumers on a first come, first
serve, and that in the event that funds are made available,
subsequent information will be also made available to
consumers about any later offerings, but --

MS. ERICKSON: We just do not want to tease them,
you know?

MS. WHITE: You do not want to tease them, but you
also do not want to give them undue expectations. In a
perfect world, we would not have the issue of over-
subscription, but I learned a lot in my discussions with you
and the retailers about that, needing to try -- because we
do not have any money to backfill for over-subscription --
put some boundaries on people's expectations. And so we may
not have done it perfectly, and if there are ways of
tweaking this to do it better, please give us some ideas.
But, so far, this is what we were able to bring together and
turn into the primordial ooze of the program.

MS. ERICKSON: Well, I will be interested to see
the marketing guidelines and what you get from DOE on the
fine tuning of everything.

MS. WHITE: Right.

MS. ERICKSON: Because I think that might become
an important and ongoing issue in customer satisfaction.
And then my last thing is, I wanted to talk about that
market share, perhaps maybe you and I could just chat or
like I will go in and try and look at the market share ratios that you were using and see if I can determine what that is, but if you just knew, then it would be great because I have tried to predict what the impact of this program is going to have on our program.

MS. WHITE: And the best place to go right now to take a look at that, we actually have the funding opportunity notice posted on our website and, in the Appendices is where a lot of that information of that market share is located, as well as information on all states and the nation on DOE's website for the Energy Star program.

MS. ERICKSON: Okay.

MS. WHITE: And then, if you have any questions, you know, they sent us a whole bunch of stuff to include in our calculations for that.

MS. ERICKSON: Yeah, and then I am just going to briefly say I support Cheryl on the other two things that she mentioned, was that 30-day period, we do have an ongoing -- a very successful recycling program that is part of the DOE RAD, and things do not always go as fast as you think, so --

MS. WHITE: While you are on that topic, how long are your periods for making a rebate claim?

MS. ERICKSON: You know, for most customers, it is probably well within the 30 days, but there are always going
to be some, and SMUD is very conscious of customer satisfaction, and if they went through all of this, and did all the paperwork, and then did not get that one, they would be mad at us for the state program, and we do not want that.

MS. WHITE: Do you announce that on your website, that there is flexibility if you do not make the 30 days?

MS. ERICKSON: We do not have your program guidelines on there yet.

MS. WHITE: No, no, I mean in your program --

MS. ERICKSON: We do not have a 30-day deadline.

MS. WHITE: Oh, you do not have a deadline for claiming -- okay, so for Edison, it is a whole year to purchase and install. Okay.

MS. ERICKSON: Well, and currently the rebate programs, I believe, none of us have a time where you must replace, so our -- we went that route to start off with, but have subsequently moved to where we have separate programs, and most often you find that a customer does buy a new one and recycle, and they use both our programs. But tying those two together was a nightmare, so --

MS. WHITE: We were lucky.

MS. ERICKSON: We will see.

MS. WHITE: Yeah, we look at this as positively as possible. I am sure the state is going to learn quite a bit in how to run a rebate program.
MS. ERICKSON: That is good, it is just the -- and
we are probably pretty well set up, as is Edison and others,
to do the combination, or the marketing for the combination
program, but for refrigerators and for clothes washers -- I
mean, for room air conditioners -- the guidelines for
recycling clothes washers is a new thing for us.

MS. WHITE: Okay. Yeah, and in terms of those
guidelines, as I said, we have looked to the Integrated
Waste Management Program on the appliance recycling, the
California Appliance Recycling Program, the CAR Program,
which basically tries to get all light goods out of
landfills and to ensure that they are appropriately scrapped
and disposed of. Where their program allows for re-use, we
did not see that we had the flexibility for that.

MS. ERICKSON: Yeah, well, it does seem
appropriate and certainly we would support that, we just do
not have -- it is not as easy to us right now because we do
not have it all in place with clothes washers.

MS. WHITE: Well, I am hoping you can help us out
to the extent you can, certainly.

AUDIENCE: [Inaudible]

MS. WHITE: The comment was that, for Edison, they
do have a recycling program for the refrigerators, they
tried it for air conditioners, but to not much success, and
they do not know what the benefit of recycling the clothes
washers are. And, in fact, at least in the criteria pollutants, we did not really count much in terms of the recycling of the clothes washers, other than the amount -- and, actually, in all of the emissions -- the amount of energy savings that is associated with that incremental performance increase, up and above a non-Energy Star product. So we are not looking at it from the standpoint of the steel and plastic, but --

MS. ERICKSON: There is very little in PCBs is what is left in a clothes washer, very little.

MS. WHITE: The issue with the clothes washer is really getting those products properly recycled and not in the landfill, and that is the goal of the Integrated Waste Management Board's program, certainly. And then, to the extent that Mercury or something like that is involved in the switches, for those devices getting that properly handled.

MS. ERICKSON: I just thought of another thing.

MS. WHITE: And, Mike, I will get to you in just a moment, I know you are right there waiting patiently.

MS. ERICKSON: Sorry. One more thing, since you are working with retailers on the pick-up and appropriate recycling of all of these products, and we have existing programs where we sometimes work with the retailer, and sometimes do not, I wonder if you considered the impact on
the existing programs for doing it this other way.

MS. WHITE: No --

MS. ERICKSON: Because you might encourage the
retailers to work with the utilities, if they are in that
area, to coordinate the proper recycling because then our
customers losing out on the rebate that they might get for
participating in that --

MS. WHITE: Right. The information that we have
been getting from Sears, in particular, is fairly new. They
have, in fact, been working with their main recycling firm
to ensure that they can, based on our guidelines and the
requirements of the Integrated Waste Management Board and
DTSC, let us know what documentation they can provide, what
that form would look like, and how they could actually get
us the certification numbers. So we have just recently
found out that they are now negotiating with the recycler to
be able to do that, so this program is still evolving, and
the goal is to, as soon as we get that finalized, tell
everybody and say, "Hey, other retailers, please try and
catch up. And, by the way, make sure you're also hooked in
to the other utility programs," which I will do because I
know you guys are doing these things, we just have not
really gotten that far yet.

MS. ERICKSON: Part of your ongoing development is
consideration of the existing rebate programs.
MS. WHITE: Right.

MS. ERICKSON: And, again, customer satisfaction.

We do not want a customer to have bought one through Sears, who is coordinating with the state program, and keeping their customer from getting the rebate from the utility that they are eligible for.

MS. WHITE: Right.

MS. ERICKSON: Thank you.

MS. WHITE: You bet. I am making Cheryl come up to the microphone again. And, Mike, we have one more person here inside the room that wants to make some comments before I open up your mic.

MS. WYNN: I think Janis made a really good point about coordinating, you know, working very closely with you and what retailers you are talking with because we are also working with some of the same retailers and we are working with, you know, two key recycling vendors in the State of California, that they could also be talking to you, so I think maybe just to leverage, make sure that we effectively are leveraging all our resources and, again, to maintain that admin cost that you are trying -- we all should be talking openly about what we are planning with this program.

MS. WHITE: It sounds like a very good recommendation, thank you. All right, go ahead.

MS. FOX: Hi, I am Marcela Fox from PG&E. So I
had one more comment about the 30-day requirement for
application, and just to add some additional data to help
you. In the appliance recycling program for refrigerators,
we require that our contractor picks up the refrigerator
within 20 days, and if it is in a very rural area, it is 25
days. So that would make it a very very tight timeline for
a customer to send in an application if they choose to
recycle with PG&E's recycling program. And typically, every
once in a while we do shut down a rebate program, or we will
shut down maybe a measure in a rebate program, and our best
practice is that we give customers a 60-day notice, so we
give them 60 days from the moment that we notify customers
that the program has been shutdown, and that they can turn
it in, and I think so far it has worked fairly well, as long
as it is for a 60-day period. We have never done 30 days.

MS. WHITE: And the reason why we are trying to be
able to announce a start and an end with the caveat, first
come, first serve, is we may not have the luxury while the
program is running for that small period of time to get much
more heads up, that the end of the program is near. We are
looking at different ways that we can communicate the status
of the program, certainly websites, trying to get
information out, and notifications from our list serve, and
things like that, are ways we know we have the ability to
do, and then to leverage our partners' communication venues
and vehicles, you know, a lot of those details have not been quite worked out yet.

MS. FOX: Right, I understand your challenge in that, as well. In the past, we have had programs where it was first come -- actually, our programs are first come, first serve, it is just that we usually have the budget to be able to cover all those issues.

MS. WHITE: Boy, I wish I had that.

MS. FOX: The other comment I had is we have already received a number of phone calls from customers asking about the appliance for clunkers program, and they are curious about how they can find out more information. I imagine that once you close down the program, we are going to receive -- still get a lot of phone calls from customers, so my first question is, what can we tell customers right now? How can we direct them to the best information? And then, my second half of the question is, once you close out the program, how long are you going to be requiring the 800 number to be open or do customers have someone they can call at the Energy Commission to have their questions answered?

MS. WHITE: First thing, of course, the most current information is on our website, on the Recovery page under the Energy Star Program, then, of course, if there are specific questions, the general information e-mail address there, it is really hard to track down a 1-800 right now
because we actually do not have the staff to man it, we have
been trying to field calls the best we can, but the best
thing to do is to recommend that your customers go to these
sites, or put their requests in writing to this e-mail
address, or if they have questions, I can try to get people
out a better e-mail, you know, my name, Peter's name, and
then our office address. But the other thing, too, is, as
information is updated on our website, we do have that list
service, whether it is for anything ARRA related, or just
the Appliance Rebate Program, and I have been asking anybody
I talk to, to please go to the first web page that I list
here on the Energy Star Program. If you are interested on
the appliance side, get on that list serve, at least. That
way, people get any kind of updates and they will have --
any time to put a link, or a list, or a forum on the web
page, they will get notified of that. So right now, that is
the best I can suggest.

MS. FOX: Okay, great.

MS. WHITE: Yes?

MS. MANNING: I am Lela Manning, San Diego Gas &
Electric. And I, too, am very impressed. This really came
together well.

MS. WHITE: That is a lot of help, especially by
my utility friends.

MS. MANNING: This -- I only have a couple of
questions, or issues, or concerns, and one of them is, with the appliances, particularly the room ACs, and I do not know what category that kind of falls into, that is why I name them all, but we actually sometimes -- we have a rebate on room ACs, and if you, in addition, have a rebate on the room AC, then I am a little concerned that is going to set up a scenario where the customer is not paying anything, so I want us to kind of be cautious of the amount of what is being rebated and when, so I just wanted to throw that out to you.

MS. WHITE: Okay.

MS. MANNING: And then --

MS. WHITE: We were not aware of any -- of all the rebates I have looked at, they are usually around the $20 to $30 range, ours is a little higher, and I have not found an Energy Star appliance yet that is below a hundred bucks.

MS. MANNING: And another, if it is on sale, then we are paying for it.

MS. WHITE: Oh, okay, thank you. That is a very good point.

MS. MANNING: Then the other thing I thought was really good was the rebate receipt. I like that because, for our rebate, we require an original receipt, so I had a little bit of trepidation that the customer was going to have to either give you the receipt or us the receipt and
other kind of stuff, so --

MS. WHITE: We were trying to build in a little latitude because I know, having looked at some of the rebate programs, not just the utility ones, but some of the manufacture ones require the original receipt.

MS. MANNING: Yeah, so that helped. And then, the other thing, as far as I understand the stop and storage so you can extend the funds and I think that is a great way to go, what I am a little concerned with is for your customer service, for the 800 number, what their message will be during that down period because I am just assuming they are going to stay open. So I just wanted to bring that up so you could consider that.

MS. WHITE: Thank you.

MS. MANNING: Thank you.

MS. WHITE: Things yet to do. Anyone else here in the room that has comments? And Mike is patiently waiting. All right, Mike, I am going to unmute you.

MR. GANTMAN: I feel unmuted.

MS. WHITE: Are you unmuted, Mike?

MR. GANTMAN: I am unmuted.

MS. WHITE: Excellent.

MR. GANTMAN: You may choose to mute me momentarily, but for the moment I am unmuted.

MS. WHITE: Great, no, I would like you to make
your comment or ask your question.

MR. GANTMAN: I do have a couple comments. With regard to the 30 days --

MS. WHITE: Oh, pardon me, Mike. I need to have you give your full name and affiliation, please.

MR. GANTMAN: Oh, Mike Gantman with PECI&.

MS. WHITE: Thank you.

MR. GANTMAN: Thirty days, we consider 30 business days, so that is six weeks, that is pretty standard to process rebates.

MS. WHITE: Thank you.

MR. GANTMAN: Regarding the rebate processing, this is something you and I have talked about on a couple of occasions and I just want to clarify with you so I am clear. You are looking for a implementer to just simply handle the rebate processing side, correct?

MS. WHITE: As opposed to?

MR. GANTMAN: Well, as opposed to doing additional marketing and helping launch, things of that nature.

MS. WHITE: As I mentioned earlier in the presentation, a lot of the administrative activities, we are going to be dependent on our official partners to help with and --

MR. GANTMAN: The reason I mention that is it has come up in a lot of conversation here about first come,
first serve, and some people mentioned rebate for clunkers, which this is certainly not a rebate for clunkers, or cash for clunkers, so when we talk about this and people bring that up, we really try to steer them away from that because we do not want to identify ARRA with any program that was, from a public relations standpoint, not very successful, so we always try and steer them away from the idea that this is anything like Cash for Clunkers, because it is really a very unique program that stands far and away beyond that.

MS. WHITE: So maybe we could go with "Green for Appliances," or something, yeah.

MR. GANTMAN: But in light of that, and in light of any rebate processing firm being connected with this program, will there be an opportunity for anybody doing the rebate processing to influence the marketing message? Because, as I think the comment earlier on, how will anybody handling that 1-800 line deal with those phone calls should the program stop for a period of time and then start up again, I see it would need to be those folks re-doing the rebate processing and handling those call centers would need to be deeply connected with the public relation or the marketing message, so will there be an opportunity for that firm, whoever they be, to be a part of those conversations?

MS. WHITE: In an ideal world, yes. Part of our difficulty is being required to roll out this program so
quickly, and the fact that there are certain things under California law that just have to happen sequentially. If I had my druthers, I would have the contract company on board by the end of the year, but under our contract process law and under our program establishment law, we have to meet a certain timeline. We currently had little flexibility on where our target start date needs to be, so we are significantly cramping the schedule for developing the guidelines, hiring a contractor, and rolling out the program. As soon as we can announce the contractor we intend to sign contracts with, we will try to get them in contact with our other retail and utility partners, so any of these last minute details can be ironed out, but we cannot do anything that would be legally problematic. So we would love to have our retail and utility partners work hand in hand with our contractor. We will do so to the extent possible, but we are facing some serious constraints as a result of the schedule that is being imposed on us. And this is a state schedule; it is not a DOE schedule.

MR. GANTMAN: Have you created the application yet?

MS. WHITE: We are creating the RFP as we speak and, as I mentioned, we are trying to issue that RFP no later -- the request for proposals no later than December 16\textsuperscript{th}, and then have the bids due January 6\textsuperscript{th}, and then have a
contractor selected from those bids as early as the 13th, but it does take time under the California process.

MR. GANTMAN: And by "application," I did not mean the RFP, I meant the actual invoice form that consumers will fill out and submit themselves.

MS. WHITE: Yeah, we are trying to develop that now. The reason why we are having to do it is because, if the contract process runs as long as I think it is going to have to, even under an accelerated schedule, we would have to have those forms in place and distributed to partners well in advance of actually having the ink dry on a contract with you.

MR. GANTMAN: Okay. Something you mentioned early on and it has to do with a comment regarding double counting, you indicated that the DOE was going to have some additional information about how they will address issues where funds overlap; in other words, the state has this ARRA funding and it is going to overlap with an existing utility rebate program, and whereas the states are required to report on savings, what is critical for the utilities is that they actually claim those savings, two pretty distinct issues. But the DOE had always indicated that they were not making additional statements on that. Is it your understanding that they will make a new report on that?

MS. WHITE: No. What I said was, by the time we
get our award, DOE will specify the kind of reporting,
specific reporting requirements that we have for this
program.

MR. GANTMAN: Okay.

MS. WHITE: What we expect is, in the event that
the program is audited, which they will be, we will need to
demonstrate that the program met the goals and objectives
laid out for it, but it is not necessarily -- we would rely
on accurate information being reported from the rebate
processor on the claims, the validity of the claims, what
the claims were for, and how much was awarded. You would
not necessarily be responsible for actually meeting some of
these other objectives that you have no control over, by the
responsibility of the state -- in an audit. And that may
include being able to report and document justifications for
our reports on energy savings and environment benefit.

MR. GANTMAN: So that has got nothing to do with
the potential double counting of rebates on the part of the
utilities, where ARRA funds are necessarily going to
overlap; and so there is no change, then, in what the CEC
ruled a couple months back about energy savings?

MS. WHITE: No change.

MR. GANTMAN: Okay. That is it for me. Thank you
very much.

MS. WHITE: Is there anyone else who has some
questions or comments they want to make? Use your raised hand function on the WebEx, if you do. I also -- I am going to unmute all the folks that have just called in, and if any of you actually have an interest in speaking, please do so. I know this will cause a lot of background noise, but I have several folks who have just called in, and I would like to give you an opportunity to make comments or questions. So I have unmuted all of the call-in numbers, so if you have any questions or comments, please speak up. Okay, having heard none, I am going to go ahead and mute you all back just to make sure I do not have any background noise that will kind of disturb the rest of the discussion.

Now, I have had several comments, or questions, raised so far on the Q&A in the WebEx in terms of written comments, and so let's see, let's go down to Karen -- no, that was a process one -- now, Pam Bradley asks, "What about recycling Energy Star appliances? Do they qualify?" What we have been talking about is predominantly that any of the appliances that we choose to be a part of the program, and for which we will offer rebates, there are three considerations, 1) they have to be certified to the California Energy Commission as meeting our minimum energy efficiency requirements, 2) they have to also be on the Energy Star Appliance List, and then, 3) they need, for clothes washers and refrigerators, they need to meet the
Consortium of Energy Efficiency Super Efficiency Home Appliance Criteria, Tier 2 and above. And we do not have an additional Consortium of Energy Efficiency requirement for room air conditioners because when we imposed that, we only had 12 models, and that was not good enough, we had to actually have a bigger offer than that. All of the appliances for which we offer rebates need to actually be replacing appliances of the same kind, so refrigerator for refrigerator, air conditioner for air conditioner, and the like. And all of the replaced appliances must be recycled, so all of them are eligible to be recycled in California, and will need to be, and documentation will need to be provided for that.

Mohan is asking, "Will minority owned service providers be looked at in a favorable light?" I am not sure what you mean by that, but we are not giving any particular preference to small or large business, minority owned or regularly owned, we want to give consumers the opportunity to be able to purchase qualified appliances, how they choose to purchase that, great, they just need to make sure that those appliances meet the criteria of the program and, in order to get the rebates, they have to satisfy the requirements for recycling, doing the purchases within the specific time period, and to ensure the old appliance is recycled. Another question from Mohan is how to prepare for
the RFP. "In order to prepare in advance for the RFP, is there a past RFP that you can allude to, that would be similar to the upcoming one?" Mohan, I am really sorry, but California has never -- the State of California has never run a rebate program, so I do not have an RFP for a previous program that I could suggest you look at. I wish I could because then it would have been a much easier template to operate from. We are trying to give as much information in our guidelines, in our environmental documentation, in some of the information we presented on what the State of California is going to be required to do, especially as it pertains to preventing fraud, waste, and abuse, to give people a sense of what expectations we have for a rebate processing firm, and then, of course, what kind of tight schedule we are on, so I have provided hopefully lots of information for your benefit in this presentation and in those documents. A third question from Mohan is, "If a provider provides a solution only for some parts of the RFP, but not others, will this be accepted? Or will you summarily reject it?" We are going to specify in the RFP what evaluation criteria we are going to need a rebate processing firm to meet. And essentially, if you meet that, you pass, if you do not, you do not. And we will then judge beyond that and award the Wynning bid on those that can offer those services at the lowest cost. That is how our
rebate processes work. We do not do partials like that.

How will the ARRA rebate hotline -- and this is lastly

Colleen Higham asks -- "How will the ARRA rebate hotline

website info be active after the program closes and funds

are depleted?" Yet to be determined, yet to be disclosed.

We will try and get that information to folks as soon as we
can, but right now we will -- it is obviously expected that
the hotline would be up for some time afterwards, how long,
we do not know. And of course, our website will be active
for as long as the Commission is around, and to the extent
that we can provide appropriate information, until such time
as no interest in the program remains, we shall do so. But
of course, all of our ARRA activities, we are trying to, as
much as possible, disclose information and keep as timely as
possible on our website. We will ask, of course, our
partners to keep links active as long as they see fit, and
we will not be able to mandate them since a lot of this
stuff is voluntary, and I know that we have lots of help and
we can learn a lot from our partners and will be doing so
over the next couple months on what is appropriate and what
is not. So, since there are no more questions on the chat,
I am going to turn back to Cheryl, who has been waiting
patiently.

MS. WYNN: Lorraine, I was wondering if you could

speak a little bit about the marketing plan for this program
so we can have an idea what you are planning, so we can
definitely be supportive of your plan?

MS. WHITE: At this point, discussions have been
very much in-house because we have been focused on trying to
get the structure of the program going and meeting some of
these legal requirements first and get those out, now we can
turn to the marketing plan, and we have to do so in
partnership with our utilities and retail partners who are
already committed to helping us, and we need to set up those
calls, start talking about ideas, start taking about
messaging, distribution of that messaging, those kinds of
things will be set up, I guarantee, very shortly with y'all,
because I know you are a partner, PG&E, SMUD, Edison, City
of Palo Alto, that you have all been very gracious in
offering time and support, and we just need to get some of
these things out of the way first so we can turn our
attention to those activities, and that is our next step --
I mean really getting into it. And you guys have raised a
lot of good issues today, which we will be taking into
consideration in structuring those initial calls, and how we
actually roll this out, how we get the information out, how
we control certain expectations, and things like that. So
thank you very much. I mean, this is incredibly helpful.

Any other comments or questions? Well, I would
like to thank you all for joining this discussion and
helping us figure out what we are doing over the last few
months, helping in the development of these documents. I
hope some of you can see your fingerprints on them. And we
will hopefully look to see some additional participation in
the future to ensure that the program is successful,
achieves what it is intended to, and makes people happy,
they get what they really would like. So with that, we are
adjourned. Thank you very much.

(Whereupon, at 12:03 p.m., the workshop was adjourned.)

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CERTIFICATE OF REPORTER

I, KENT ODELL, a Certified Electronic Reporter, do hereby certify that I am a disinterested person herein; that I recorded the foregoing California Energy Commission Workshop; that it was thereafter transcribed into typewriting.

I further certify that I am not of counsel or attorney for any of the parties to said meeting, nor in any way interested in outcome of said meeting.

IN WITNESS WHEREOF, I have hereunto set my hand this _____ day of November, 2009.

________________________________________
KENT ODELL