STATE OF NEW YORK
PUBLIC SERVICE COMMISSION
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IN THE MATTER OF THE
SYSTEMS BENEFITS CHARGE III   CASE 05-M-0090

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COMMENTS OF THE PUBLIC UTILITY LAW PROJECT
IN RESPONSE TO THE COMMISSION'S
AUGUST 31, 2005 NOTICE

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Date: October 17, 2005

STATE OF NEW YORK
PUBLIC SERVICE COMMISSION
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SYSTEMS BENEFITS CHARGE III — CASE 05-M-0090

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COMMENTS OF THE PUBLIC UTILITY LAW PROJECT
IN RESPONSE TO THE COMMISSION'S
AUGUST 31, 2005 NOTICE

On January 28, 2005, the Commission issued its notice in the above-captioned matter seeking comments concerning, generally, the current Systems Benefits Charge program and the shape and direction such program would take when reauthorized for a period after June 2006. The Public Utility Law Project ("Project" or "PULP"), a not-for-profit legal services organization representing the interests of low-income residential consumers on energy and telecommunications issues for more than 20 years, provided comments in response to that notice. On August 30, 2005, Staff of the Department of Public Service ("Staff") filed the "Staff Proposal for the Extension of the System Benefits Charge (SBC) and the SBC-Funded Public Benefit Programs" ("August 30 Proposal") and, on August 31, 2005, the Commission issued its Notice seeking comments on the August 30 Proposal.

On March 4, 2005, PULP provided its comments in response to the earlier Commission Notice. Those comments focused on eight specific points, i.e.

> The SBC program should be extended for at least seven years (7+ year program).
>
> The extension of the SBC should include programs for gas customers (Gas Efficiency Programs).

> SBC revenues should be enhanced by the reestablishment of full funding from electricity sales (SBC at $225 million in 2006 dollars).
>
> SBC III program funding should also include revenues from a surcharge on natural gas sales (Creation of Gas SBC).
>
> Program revenues should be distributed to programs for residential customers in proportion to the share of electric revenues paid by residential customers (Fully Proportional Funding for Residential Programs).
>
> The presentation of SBC charges on customer bills should be revised (Fair Bill Disclosure).
>
> The allocation of SBC funds should increase the resources available for residential programs and for low income programs (Increased Funding for Residential and Low Income Programs).
>
> Evaluation of low income programs in the SBC should focus on program impacts on energy affordability and continuation of service (Focus Low Income Programs on Challenges to Continuation of Service).

Many of these points from our earlier comments are unadressed in the Staff's August 30 Proposal. PULP is pleased to provide the following comments in response to the August 31 Notice. We do so, however, without abandoning any of the points raised in our earlier comments.[1]

POINT I

SBC FUNDING MUST BE SUBSTANTIALLY ABOVE THE STAFF PROPOSAL

The Staff's August 30 Proposal suggests that the SBC funding level should be limited to the $150 million per year that has been the historic expenditure level for SBC II since 2001. The sole rationale for this recommendation is that this will not "raise SBC assessments on New York consumers". August 30 proposal at 21.

[1] For ease of reference, we include as Attachment 1 to these comments a copy of PULP's earlier comments.

In PULP's initial comments, we established that, due to load growth, $150 million per year in SBC funding is raised each year through smaller and smaller per kilowatt-hour SBC charges. In other words, if the customer's per kilowatt-hour charges had remained the same rather than decline over the term of the SBC II program, total program funding would have increased in this period. Capping the SBC funding at $150 million per year meant that, instead of assuring that SBC assessments would not be raised, the program design would actually assure that the assessments for each customer would go down. Clearly, by continuing to cap the SBC program for SBC III at $150 per year, Staff's August 30 Proposal would continue this practice.

Rather than merely assure that customer assessments would not be "raised", the Staff proposal means that customer assessments would actually go down. More accurately, if the goal is simply to renew the SBC program at the highest possible level "without raising the SBC assessments on New York consumers" as Staff apparently intends, then the annual SBC program funding must be set above $150 million per year to account for the increased and increasing kilowatt-hour sales between 2001, when the $150 million per year in program funding was established, and 2011 (or later)[2].

At the same time, even though customers are paying less, inflation since the inception of the SBC II has imposed substantial constraints on the real world purchasing power of the SBC funds authorized in the 2001 SBC II proceeding. Thus, the level of program funding authorized in 2001 does not buy the same level of goods and services today as it did in 2001, and will buy far less at the send of the SBC III extension period. Simply to maintain the status quo, the

[2] In PULP's initial comments, PULP urged that customers have made substantial investments to create the program infrastructure for the SBC programs and that to maximize the return on this investment, the program should not be subject to unnecessary "renewal" proceedings which inevitably interrupt the regular delivery of annual program benefits. Because of this, PULP urged that the SBC program should be extended for at least 7 years and recommended that the Commission decide now that its decision whether to further extend the program beyond the now proposed next phase will be made no later than 24 months prior to the end of that phase.

assessments needed to continue the SBC program should be calculated and levelized to remain constant in 2001 dollars. If this were done, the program expenditure levels, in current dollars would be much higher than $150 million per year proposed by Staff and would rise each year by the rate of inflation throughout the SBC III term.

Even if the goal of the Commission is, as Staff has expressed it, to renew the program "without generally raising the SBC assessments", the annual program expenditures must be well above the historic $150 million level defined in the Commission 's 2001 order. In PULP's view, funding for the SBC III should be set at $225 million (2006$) per year.

POINT II

NATURAL GAS SHOULD BE ADDRESSED IN THIS PROCEEDING

As the Staff's August 30 Proposal states, the Commission explicitly sought comment on the potential expansion of the SBC to include natural gas customers in this proceeding. Several parties, including PULP, expended substantial efforts in responding to the Commission's request for comments, and, as Staff points out, the majority of the comments supported the extension of the program in this way. August 30 Proposal at 20. Despite the substantial dialogue invited by and provided in response to the Commission's notice, the August 30 Proposal makes no recommendation concerning the creation of a gas SBC. Instead, the proposal asserts that a study for a Gas Efficiency Program to be created for Con Edison may be expanded to cover the entire State justifies the avoidance of this issue in the current proceeding.

In PULP's view, Staff's rationale for inaction is simply wrong. The Con Edison Gas Efficiency Program to which Staff refers was created by the approval of a Joint Proposal by the Commission on September 27, 2004 – a full four months <u>before</u> the Commission's Notice in this case seeking comment on the gas SBC issue. Had the Commission viewed the Con Edison program as an impediment to the establishment of the gas SBC, it would not have included the issue in its Notice. The fact that it did include this issue in the January 28, 2005 Notice is a clear statement that the establishment of the Con Edison program provides no basis for the deferral of this issue here. Accordingly, the parties addressed the issue in their comments and Staff should have done so in its August 30 Proposal.

As Staff's proposal notes, there is a substantial body of comments on this issue in the materials provided in response to Commission's first Notice. These comments provide a more than ample basis for the Commission to act and it should do so. As PULP notes in its earlier comments, there is no need to establish a separate Gas SBC to implement natural gas efficiency programs. There is, however, a pressing need to better fund these programs by extending the SBC surcharge, currently charged to electricity customers only, to natural gas customers as well. PULP recommends the collection of $50 million in program revenues from this source together with the collection of an additional $3.4 million (8.7%) for administrative costs and program evaluation.

POINT III

SBC III SHOULD INCREASE FUNDING FOR PROGRAMS FOR THE LOW INCOME SECTOR

In its initial comments, PULP showed that energy efficiency and conservation programs often provide substantial non-energy benefits when implemented because these programs often make it possible for the household to avoid the catastrophic consequences of a loss of service. When the economic benefits alone of these programs are evaluated, the SBC evaluation studies show that the measures provided to the household are economic (i.e., have a benefit to cost ratio greater than 1). The substantial value of the non-economic benefits from these measures for low income households, however, magnifies their benefits to customers and justifies an increased allocation to the low income programs.

Since the submission of those comments, the energy policy community has reached the growing realization that energy prices, in general, have and will in the future show a sharp increase. These increases will impose particular and extraordinary burdens on low income households which seek to maintain service. In the short term, these households will need increased cash assistance through federal, state or utility non-SBC programs. In the intermediate and long term, however, cash assistance must be accompanied by conservation and efficiency program assistance that can lower the energy burden for these households. In our State, virtually the only source of conservation and efficiency assistance is the SBC. Accordingly, PULP renews and reemphasizes its conclusion that the proportion of SBC programming that is directed to low income programs be substantially increased from the SBC II levels.

POINT IV

FUNDING FOR RESIDENTIAL PROGRAMS SHOULD BE PROPORTIONAL TO THE FUNDING PROVIDED BY RESIDENTIAL RATEPAYERS

In PULP's initial comments, we showed that while residential ratepayers contribute approximately 44% of the revenues to the SBC, funding for programs intended to provide direct benefits to residential ratepayers received dramatically less than this portion of the SBC II funding. Nothing in the Staff's August 30 Proposal, however, appears intended to redress this dramatic disparity. Indeed, one cannot conclude from the proposal that Staff even recognizes that this disparity exists.

POINT V

STAFF'S PROGRAM RECOMMENDATIONS REQUIRE CAREFUL CONSIDERATION

In the August 30 Proposal, Staff includes several program recommendations with respect to which PULP provides the following comments.

a. Program consolidation. Staff's proposal suggests that certain elements of the existing program portfolio are duplicative or require customers to expend unnecessarily their resources to access relevant programs. While PULP supports initiatives to provide greater program efficiency and, in particular, initiatives that minimize participation costs for customers, we are concerned that a proposed consolidation of low income programs could mask a loss of low income programming. For example, for low income residential customers, the principal program for energy efficiency is Assisted Home Performance with Energy Star®. This program is essentially the same as Home Performance with Energy Star® except that certain financing assistance is provided through Assisted Home Performance to low income customers that is not available to customers who participate in the Home Performance program. While PULP has agreed that administrative efficiencies available from administration of the two programs through the same structure should be captured, we would be concerned if the two programs were fully consolidated as the Staff recommendation suggests they could be. Sufficient separation must be maintained so that a determination can be made as to the effectiveness of the Assisted Home Performance program as a separate entity, and, even if these programs are administered jointly, this joint effort should not preclude program modifications which might be needed to fit Home Performance to the needs of low income customers. Further, consolidation of these programs should not permit the conversion to residential customers in general of resources programmed for assistance to low income customers.

b. T&D R&D. The Staff proposal urges that limited SBC funds be directed to research and development initiatives for transmission and delivery systems. If this recommendation is adopted, it represents a new call on SBC funding and, in light of Staff's proposal to cap the SBC funding at pre-inflationary SBC II levels, it necessitates a reduction of funding for some other programs. Given the utilities' continuing R&D programs, and the potential for funding from non-SBC sources, PULP believes there should be no need to advance T&D R&D through the SBC at the expense of residential or low income programs.

c. Renewable rsources. The Staff proposal urges the use of SBC resources to support renewable resource-related activities such as "promoting renewable resources, training of renewable energy professionals, market development, technology development and manufacturing incentives". August 30 Proposal at 18. PULP has supported the Commission's initiative to greatly expand the use of renewable resources for the supply of energy in New York. The chosen mechanism to do this is the Renewable Portfolio

Standard ("RPS"). It was PULP's understanding that the incentives provided through that program would be calibrated so that the State's goals for renewable energy would be met. With the RPS program in place, there should be no need for additional programmatic support from the SBC. On the other hand, SBC programs that would lose resources if the SBC is directed towards the RPS support outlined in Staff's proposal have no other program on which to draw. The effect of Staff's proposal, therefore, would be to curtail important conservation and energy efficiency programs, perhaps in the residential or low income sectors, in order to promote measures in support of the RPS – a policy result which PULP could not support.

d. Demand response programs. Staff's proposal suggests that SBC support should encourage "retail time sensitive electricity pricing for all customers, load shedding, and distributed generation." August 30 Proposal at 18. Staff's intent is not perfectly clear in this reference. PULP is concerned that programs such as those which may be described by Staff's language may not be designed to protect residential customers who are simply unable to take advantage of time sensitive pricing, load shedding or distributed generation or, to the extent the programs are able to provide benefits to residential customers, they are not designed to permit the participation of low income residential customers in these benefits.

e. Evaluation and monitoring. PULP supports the extensive investment made in SBC II for evaluation and monitoring of SBC program results, and we agree with Staff that the level of these efforts should be retained in the SBC III with some modifications to focus efforts more clearly. In addition, PULP urges that the evaluation and monitoring under SBC III be carefully designed to measure, not only the immediate energy savings or other similar short term objectives of the SBC portfolio, but that measurements be made of the success of the program in reaching intermediate and long term goals. For example, for many low income programs the intermediate or long term goal is to see participating low income households better able to maintain continuous service than households who could not obtain the conservation or energy efficiency measures that were provided by the SBC. Evaluation and monitoring in the SBC III should continue to assess whether the conservation or efficiency measures installed through an SBC program actually provide the intended energy savings (the short term goal). In addition, however, evaluation and monitoring also should look at whether these measures also help that household to maintain service (the long term goal).

CONCLUSION

The Public Utility Law Project urges the Commission to recognize the substantial success achieved by the SBC I and SBC II programs since January 1998. In light of this success, it is the

Project's recommendation that these programs be continued and enhanced as set forth herein and in its earlier comments.

Respectfully submitted,

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Date: October 17, 2005

ATTACHMENT 1

STATE OF NEW YORK
PUBLIC SERVICE COMMISSION
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IN THE MATTER OF THE
SYSTEMS BENEFITS CHARGE III CASE 05-M-0090

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COMMENTS OF THE PUBLIC UTILITY LAW PROJECT
IN RESPONSE TO THE COMMISSION'S
JANUARY 28, 2005 NOTICE

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Date: March 4, 2005

STATE OF NEW YORK
PUBLIC SERVICE COMMISSION
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IN THE MATTER OF THE
SYSTEMS BENEFITS CHARGE III CASE 05-M-0090

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COMMENTS OF THE PUBLIC UTILITY LAW PROJECT
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JANUARY 28, 2005 NOTICE

On January 28, 2005, the Commission issued its notice in the above-captioned matter seeking comments concerning, generally, the current Systems Benefits Charge program and the shape and direction such program would take, when reauthorized for a period after June 2006. The Public Utility Law Project ("Project" or "PULP") is a not-for-profit legal services organization representing the interests of low-income residential consumers on energy and telecommunications issues for more than 20 years. We welcome the opportunity to respond to the Commission's request for comments. The Commission's January 28 Notice included fourteen specific questions and, to the extent possible, our comments that follow are cross-referenced to these questions.

The SBC Program Should be Extended for At Least Seven Years
(Questions 1 and 2)

The SBC program was established by Commission order in Case 94-E-0952 on January 30, 1998.[3] This order limited the initial life of the SBC program to three years, i.e., through June 2001, and limited the annual funding of the program to $78.1 million per year. In a subsequent order[4], the Commission extended the life of the SBC program for five years (through June 2006) and increased the funding for the program to $150 million per year.

As the implementation of the current SBC program has proceeded over the past eight years, substantial resources have been invested in program design and in the establishment of a "pipeline" for the development of projects. This "pipeline" has proven necessary since projects undergo a lengthy period of development before their implementation. To assure a continuous flow of program benefits, a certain number of projects must be in development at all times.

While the Commission has acted promptly to assure that the future of the SBC program post-June 2006 may be decided promptly and well before the June 2006 deadline, the existence of this timeline and the June 2006 deadline has created an unnecessary slowdown is some of the projects which could be in the program pipeline, but which cannot receive a funding commitment without a further extension of the SBC program. Accordingly, in PULP's view, the extension of the program is well justified, and the decision to implement this extension should be made at the earliest possible opportunity.

The length of the extension should reflect the need to provide a program that can function long enough to demonstrate its programmatic value, to demonstrate the long term

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[3] Case 94-E-0952, In the Matter of Competitive Opportunities Regarding Electric Service, Opinion No. 98-3, issued January 30, 1998 ("SBC I Opinion").
[4] Id., Order Continuing and Expanding the System Benefits Charge for Public Benefit Programs, issued January 26, 2001 ("SBC II Order").

benefits of market transformation and primary and secondary economic development benefits, and to take full advantage of the program structures for administration and evaluation that have been built over the current SBC term. We believe that, based on the experience with SBC I and II, extension terms of three or five years are too short.

Moreover, the decision for the extension of the program in 2006 can take advantage of experience gained from the extension provided in 2001. Specifically, we now see that any extension decision, no matter how timely, will cause some hesitation and delay in the development of new projects during the last eighteen to 24 months of the program cycle. Under these circumstances, consumers who have paid substantial amounts to develop the infrastructure and administrative tools to implement the SBC receive less than the full measure of value from this investment. Because of this, PULP recommends that the extension of the program by the Commission at this juncture be no less than seven years (at least through June 2013), and that the commission state now that its decision on whether to further extend the program beyond that date will be made no later 24 months before the new SBC III end date. If this schedule were implemented, consumers would see at least a full five-year cycle of activity under the program, and there would be no need to repeat the experience of program curtailment prior to the Commission's decision on the scope and nature of the program's next cycle.

The Extension of the SBC Should Include Programs for Gas Customers
(Question 3, 4 and 13)

For low-income residential customers, the greatest challenge is the maintenance of service on a continuous basis throughout the year. Moreover, the discontinuance of one utility service is almost always accompanied by the discontinuance of the other services to that household. For this reason, the greatest threat to the continuation of a low-income household's electric service may be the discontinuance of the gas service for that household. For this reason, the greatest benefit to continued electric service for a household may be programs for gas efficiency. An adjustment to the scope of SBC programs to include programs for gas customers is, therefore, recognition that the most effective continuation of service for low-income electric customers would logically include measures such as this. For the same reason, in PULP's view, the SBC program should also recognize that many households are heated by fuels other than electricity and gas, and that programs for these customers will similarly extend the likelihood of continuous utility electric service for these households as well. In short, for low income households, the benefits for continuous electric service from home efficiency measures, including home heating efficiency measures, fully justify the inclusion of such measures in SBC programs targeted for low income customers even where these customers are not heating with electricity, and this justification extends to gas-heated homes as well as those not heated by gas or electricity. Indeed, the inclusion of homes heated by wood, by propane, or by some other fuel, will prevent an unintended program bias that could prevent program resources from reaching low-income households in rural areas currently beyond the reach of utility gas service.

SBC Revenues Should Be Enhanced By the Reestablishment of Full Funding from Electricity Sales
(Questions 2 and 4)

The current funding level for the SBC was set in July 2001 at $150 million. Inflation alone has reduced the value of this funding to $137.5 million (2001$). Further, because the total collection amounts are fixed at $150 million per year, as kilowatt-hour sales increase, each customer's charge for a contribution to the SBC is lower than the year before, even though the customer's usage is unchanged. If the program is extended with no adjustment in funding, inflation will further erode the value of SBC collections, but customers will still be charged less and less as company-wide kilowatt-hour sales increase. To bring customer contributions to the levels authorized in the SBC II Order, and to offset the effects of inflation, both retrospective and prospective, PULP recommends that the extended SBC be funded at the level of $225 million (2006$) from electric customers.

SBC III Program Funding Should Also Include Revenues From A Surcharge on Natural Gas Sales

(Questions 2, 3, 4, 6, 7 and 13)

As noted above, PULP believes that programs for low income, residential natural gas efficiency are already permissible under the current SBC structure. We would not, therefore, support a "separate" Gas SBC for this purpose. We do, however, strongly urge that additional SBC revenues be provided through a surcharge from natural gas customers. The premise of the first SBC was to assure the continuation of programs unlikely to be provided in a competitive market by channeling utility revenues to a third party entity (now, NYSERDA) with a mandate to continue these initiatives. This premise is unquestionably applicable to the developing natural gas markets, and the extension of SBC revenue collection to natural gas customers is fully justified. PULP supports the collection of $50 million in program revenues from this source plus the collection of an additional $3.4 million (8.7%) for administrative costs and program evaluation.

Program Revenues Should Be Distributed to Programs for Residential Customers In Proportion to the Share of Electric Revenues Paid by Residential Customers
(Questions 6 and 7)

In the SBC II Order, the Commission recognized that "a better approach" to revenue collection would recognize that the benefits received from the SBC program will likely correspond to the utility costs paid by customers. SBC II Order at 24. The most recent data available shows that residential customers pay about 44% of the total revenues received by the State's electric utilities. 2004 New York State Statistical Yearbook, 29th Ed. (2004) at Table L-21. The residential customer class, however, is the beneficiary of residential energy efficiency programs and low income programs which, together, utilize only about 30.5% of the total of SBC funds. <u>New York Energy $mart Program Evaluation and Status Report</u>, Final Report, Volume 2 (May 2004) at Table 3-1. This disparity may only be bridged if the expenditures by the SBC Research and Development Program (22.6% of total SBC funding) may be substantially characterized as directed at research or development activities in support of the interests of residential customers. At this point, the evaluation activities for the SBC cannot confirm that research and development funds are being distributed in this way. In the SBC III that will be extended beyond June 2006, care should be exercised so that an appropriate distribution of SBC funding to programs associated with benefits to the residential customer class can be confirmed.

The Presentation of SBC Charges on Customer Bills Should be Revised
(Question 6)

Under current procedures, the only direct interaction between virtually all customers and the SBC program is the SBC surcharge added to each customer's bill. This interaction presents a distorted characterization of the SBC program to customers, however, and should be revised.

As we now know, the benefits from the SBC program are a significant multiple of the costs the program incurs. Indeed, based on the evaluations conducted by the Systems Benefits Charge Advisory Committee and provided to the Commission, the principle issue appears to be not whether benefits exceed costs, but the size of the multiple by which this is true. On customer bills, however, the only information provided to customers is the direct cost being imposed for this program. Since the favorable benefit cost ratios are now well understood and documented, PULP believes that the itemization of SBC charges on the customer bill no longer serves a significant purpose. Indeed, if the itemization of the SBC charge on customer bills is meant to provide a "price signal" to customers, the itemization of this charge in the current way may actually mislead consumers and suggest that the SBC program is not cost justified. Plainly, however, we now know that the opposite is true. If the Commission elects to continue this itemization of the surcharge, PULP urges that customer confusion due to the lack of information on program benefits must also now be addressed. Plainly, bills that itemize SBC charges must also include information to fully disclose to customers the net benefits associated with the SBC program to date.

The Allocation of SBC Funds Should Increase the Resources Available for Residential Programs and for Low Income Programs.
(Questions 4, 7 and 8)

Over the eight-year life of the SBC program, the Residential program area has been allocated approximately 18% of the total SBC funding. <u>New York Energy $mart Program Evaluation and Status Report</u>, Final Report, Volume 2 at Table 3-1 (May 2004). As the SBC program moves into the next phase, more recent data is available to describe the potential energy efficiency gains that are available in the time period of the SBC III. The NYSERDA Energy Efficiency and Renewable Energy Resource Development Potential in New York State Report (August 2003) indicates that the Residential Efficiency Savings Potential in New York in 2007 will be "on the order of 22,000 GWh per year." Id. at Volume 3 at 3-5. In contrast, the same report shows that the corresponding 2007 technical potential for energy efficiency in the Industrial sector is only approximately 18,000 GWh per year. Id. at Figure 3.4.1. Finally, while the Commercial sector may have a higher technical potential for energy efficiency savings than the residential sector in 2007, the energy efficiency savings potential above that which would be reached under a low avoided cost scenario (i.e., the "high-hanging fruit") is more than twice as large in the Residential sector (approximately 12,000 GWh) as in the Commercial sector (approximately 5,000 GWh). Id. at Figures 3.2.1 and 3.3.1. With this potential, PULP recommends that the portion of SBC III funds expended in the residential program area be increased from 18% to 25%.

As set forth in the SBC I Opinion, the focus of program expenditures in the Low Income program sector is to enhance energy affordability for low-income households. Improved affordability means that these families should experience a somewhat less disproportionate energy burden, leaving more of their resources available for food, clothing, health care and other necessities. Improved affordability also increases the likelihood that these customers will not lose the opportunity for continuous service or experience the harsh effects that the termination of electric service has on residential households. Accordingly, in the current program design, Low Income program expenditures are intended to have very significant non-energy benefits, and customers receive these benefits in addition to the benefits normally associated with the energy efficiency measures themselves. Because of the double impact of Low Income program initiatives, PULP recommends that the portion of SBC III program resources used for Low Income programs be increased from the historic level (approximately 13%) to 20%.

When the increases recommended here are implemented, residential sector programs would receive 45% of the SBC III funding. Against an SBC of $225 million per year, the total available for Residential and Low Income programs would be approximately $101 million. As noted above, PULP also recommends the enhancement of the SBC by $53.4 million by an SBC surcharge for gas utility customers. PULP calculates that residential gas customers pay about 69% of the costs for gas service. This proportion of the $53.4 million would increase funding for SBC Residential and Low Income programs above $101 million by $36.8 million.

Evaluation of Low Income Programs in the SBC Should Focus on Program Impacts on Energy Affordability and Continuation of Service
(Question 11)

As set forth above, Low Income SBC programs are distinguished from other residential programs by the contribution they make to energy affordability for low-income residential customers and by the contribution this improved affordability makes to continuous service for these households. Evaluation of Low Income programs, however, has thus far not been asked to measure specifically the direct impact on energy affordability or continuous service for low-income households arising from program initiatives. As the SBC III is implemented, it is important to reemphasize these fundamental goals and to further develop program evaluation tools so that low-income initiatives can be evaluated against these program goals.

CONCLUSION

As set forth above, the Public Utility Law Project urges the Commission to recognize the substantial success achieved by the SBC I and SBC II programs since January 1998. In light of this success, it is the Project's recommendation that these programs be continued and enhanced as set forth herein.

Respectfully submitted,

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