

STATE OF CALIFORNIA

Public Utilities Commission  
San Francisco

**M e m o r a n d u m**

**Date:** March 25, 2013

**To:** The Commission  
(Meeting of April 4, 2013 )

**From:** Lynn Sadler, Director  
Office of Governmental Affairs (OGA) – Sacramento

**Subject: AB 270 (Bradford) – Ratepayer-Funded Energy Efficiency Assistance  
As introduced: February 7, 2013**

**RECOMMENDED POSITION:** SUPPORT IF AMENDED

**SUMMARY OF BILL**

Specifically, this bill:

- Directs the California Public Utilities Commission (CPUC) and Investor-owned Utilities (IOUs) to create a public web site for data-driven reports containing specified information regarding ratepayer-funded energy efficiency programs.
- Directs the CPUC to report annually on its efforts to identify and eliminate duplicity in EE programs among other state agencies.

**CURRENT LAW**

CPUC Adopted Privacy Rule Sec. 6(g) concerning the “Availability of Aggregated Usage Data.” The provision addresses usage data, but the principles apply to making any customer data available. Rule 6(g) states: “Covered entities shall permit the use of aggregated usage data that is removed of all personally-identifiable information to be used for analysis, reporting or program management provided that the release of that data does not disclose or reveal specific customer information because of the size of the group, rate classification, or nature of the information.”

Public Utilities Code (PU Code) Sec. 394.4(a): Confidentiality: Customer information shall be confidential unless the customer consents in writing. This shall encompass confidentiality of customer specific billing, credit, or usage information. This requirement shall not extend to disclosure of generic information regarding the usage, load shape, or other general characteristics of a group or rate classification, unless the release of that information would reveal customer specific information because of the size of the group, rate classification, or nature of the information.

PU Code Sec. 8380(e)(1): Nothing in this section shall preclude an electrical corporation or gas corporation from using customer aggregate electrical or gas consumption data for analysis, reporting, or program management if all information has been removed regarding the individual identity of the customer.

## **AUTHOR'S PURPOSE**

The purpose of this legislation is aimed to improve the availability and accessibility of public information on ratepayer-funded Energy Efficiency (EE) programs. The provision of this data is expected to better serve the needs of multiple stakeholders in meeting California's Energy Efficiency goals.

## **DIVISION ANALYSIS (Energy Division)**

- 1) The CPUC agrees that a transparent, online access to EE program data will have a positive impact on programs, practice and policy both internally and externally. Currently, CPUC staff is working towards the implementation of a public data reporting site that will meet a wide array of stakeholder data needs. The CPUC is upholding best practices for customer privacy and data security, and reports requested through the proposed AB270 legislation should likewise consider necessary precautions. If so, then implementation of this bill will not have any negative impacts on the CPUC, and is consistent with our existing policy of transparency.
- 2) The CPUC has worked with the state's Investor Owned Utilities (IOUs) to make significant strides in the collection, management and reporting of energy efficiency program tracking data, and is now at a point where EE program data can reliably drive public queries via an online interface. The energy efficiency tracking data (going back to 2006) is now centralized and standardized as a result of CPUC managing the reporting requirements. This has enabled analysis and comparisons across utilities, market sectors, and technologies across California. The legislation directs the CPUC to have the IOUs develop an on line data set, but it is critical to note that this information is currently maintained by the CPUC. One of the CPUC's top priorities for 2013 is to establish an online public energy efficiency data reporting web site to improve access to this vast data resource.
- 3) The broad vision for the Energy Division data reporting site is to allow users to see aggregated data on energy efficiency program savings and participation down to the measure level across regions, including cost-effectiveness and other program indicators.<sup>1</sup>
- 4) CPUC staff will host a public process alongside the release of test products, so that stakeholders can test and provide comments on different versions before a final product is released publically. The CPUC proposes to launch this new web-based data reporting feature in conjunction with the release of the Energy Efficiency Annual Progress Evaluation Report by the close of 2013.

- 5) The CPUC is committed to the preservation of customer privacy and maintaining secure transfer of data at all times. CPUC supports this bill provided that none of the reports required of the AB270 Legislation interfere with the CPUC's duty to the privacy and security of California ratepayers.

### **SAFETY IMPACT**

If this bill is later amended to require the CPUC to disclose personally identifiable information, or disaggregated data that could jeopardize a customer's privacy or online security, then this bill could have a negative—and potentially significant—impact on public safety. If not, then there is no safety impact.

### **RELIABILITY IMPACT**

This bill has no impact on reliability of service.

### **RATEPAYER IMPACT**

This bill has no impact on utility rates; as this data and information is already collected from the IOUs and maintained through funding for evaluation measurement and verification (EM&V) of energy efficiency programs.

### **FISCAL IMPACT**

The actions sought by this bill are already within the scope of the Energy Division's workforce; no fiscal impact is created by this bill. Furthermore, the annual reporting requirement can be satisfied within staff's current scope of reporting duties.

### **ECONOMIC IMPACT**

The public website suggested by this bill may have positive economic impacts by stimulating external business strategies to better target demand side strategies. Understanding the effects of California's Energy Efficiency programs through transparent program reporting will enhance staff and stakeholder reporting as well as external business strategies.

### **LEGAL IMPACT**

As mentioned above, the CPUC is legally obligated to protect customer privacy and maximize data security. This bill, as written, might be asking for data that violates best practices for privacy and security, namely:

- (2) The location of each customer receiving ratepayer-funded energy efficiency assistance without disclosing personal information about the customer.

- (3) The amount of funds expended at each site.

The suggested amendment addresses this concern.

## **LEGISLATIVE HISTORY**

None.

## **PROGRAM BACKGROUND**

As stated above, any negative impacts of AB270 are limited to violation of customer privacy or online security; all other impacts appear to be positive, in that the timely provision of reliable data on energy efficiency programs is seen as a positive opportunity for participants across market sectors.

## **OTHER STATES' INFORMATION**

The U.S. Government provides many rich data sets; however, it is a national policy to protect this data with the strictest measures. One example includes the government provision of census data.

## **SUMMARY OF SUPPORTING ARGUMENTS FOR RECOMMENDATION**

This bill should be supported for the following reason(s):

- (1) Energy Division staff is currently working on an identical endeavor;
- (2) Energy Division has the resources to perform the functions needed to fulfill the bill's directives;
- (3) Energy Division believes the final product required of the bill—a public reporting site on energy efficiency programs—will be an asset to the State and the economy as a whole.

## **SUMMARY OF SUGGESTED AMENDMENTS**

This bill should be amended in the following way(s):

- (1) Bill should ensure customer privacy and online data security are prioritized.

## **STATUS**

AB 270 is scheduled to be heard before the Assembly Utilities and Commerce Committee on April 8, 2013.

## **SUPPORT/OPPOSITION**

None on file.

**VOTES**

None.

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(a) It is in the public interest to be able to measure the effectiveness of energy efficiency programs to ensure that the state's interest in achieving its energy efficiency and climate change goals are met.

(b) Over the past 15 years, California ratepayers and taxpayers have spent a combined total of roughly \$15 billion to support development of energy efficiency and renewable energy in California.

(c) California currently lacks a comprehensive framework that coordinates its efforts among programs administered by the Public Utilities Commission, the State Energy Resources Conservation and Development Commission, the State Air Resources Board, and the California Alternative Energy and Advanced Transportation Financing Authority.

(d) Current expenditures planned for energy efficiency in 2012-13 are \$1 billion, and, historically, \$9 billion have been expended for energy efficiency programs funded by California ratepayers.

(e) There currently exists an information gap that inhibits assessment and monitoring of the expenditures of ratepayer funds expended toward energy efficiency improvements and programs, and research, development, and demonstration programs.

SEC. 2. Section 589 is added to the Public Utilities Code, to read:

589. (a) The commission shall require the electrical and gas corporations to cooperate in establishing an Internet Web site available to the public that provides up-to-date information regarding ratepayer-funded energy efficiency assistance programs that include all of the following:

(1) The types of energy efficiency measures installed.

(2) The location of each customer receiving ratepayer-funded energy efficiency assistance without disclosing personal information about the customer.

(3) The amount of funds expended at each site.

(4) The expected annual energy savings and reduced energy usage expected in kilowatthour or therms.

(b) (1) The commission shall order the electrical and gas corporations to establish, based on data, ratepayer-funded energy efficiency assistance program reports on program totals, geographical and monthly statistics, cost distribution, and progress toward program goals.

(2) The electrical and gas corporations shall make the reports available on the Internet Web site established pursuant to subdivision (a).

(c) The commission shall require the electrical and gas corporations to publish data, including the amount expended, on the ratepayer-funded energy efficiency programs that are not direct retrofits, including, but not limited to, research on building and appliance standards and marketing and outreach, on the Internet Web site established pursuant to subdivision (a).

(d) The commission shall require the electrical and gas corporations to publish data on grants, contracts, subsidies, financing, and activities administered through the Electric Program Investment Charge established by Decisions 11-12-035 and 12-05-037, and related and subsequent decisions, to comply with General Order 156 of the commission.

(e) The commission shall take necessary steps to ensure the Internet Web site established pursuant to subdivision (a) is

available to the public on or before June 1, 2014.

(f) The commission shall have a link to the Internet Web site established pursuant to subdivision (a) on the commission's Internet Web site and require the electrical and gas corporations to have a link to the Internet Web site established pursuant to subdivision (a) on its Internet Web site.

SEC. 3. Section 747.6 is added to the Public Utilities Code, to read:

747.6. The commission shall report annually on its effort to identify and eliminate ratepayer-funded energy efficiency programs that are duplicative of programs administered by the State Energy Resources Conservation and Development Commission, the State Air Resources Board, and the California Alternative Energy and Advanced Transportation Financing Authority in its annual report prepared pursuant to subdivision (b) of Section 747.

SEC. 4. This measure does not provide the Public Utilities Commission with any authority to order the collection of the moneys consistent with Decisions 11-12-035 and 12-05-037, and related subsequent decisions, or to increase the amount collected through the Electric Program Investment Charge (EPIC).

SEC. 5. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

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<sup>i</sup> Completion of the work required by AB 270 would normally take two-full-time senior public utilities regulatory analysts. However, CPUC currently funds a minimum of two full-time senior public utilities regulatory analysts to focus on creating an internet-based public interface for Energy Efficiency program tracking, as well as a cadre of consultants to perform technical functions needed in data management and project development. This work is paid-for by a small percentage of the evaluation measurement and verification funds (currently less a small 1%).