



July 21, 2017

Via Fax 225-342-0877

Ms. Terri Lemoine Bordelon
Records and Recording Division
Louisiana Public Service Commission
Galvez Building, 12 th Floor
602 N. 5th St.
Baton Rouge, LA 70802

Re: Docket No. R-31106, Phase II
Louisiana Public Service Commission, *Ex Parte*
In Re: Rulemaking to study the possible development of financial incentives for the
promotion of energy efficiency by jurisdictional electric and natural gas utilities.

Dear Ms. Bordelon:

Please find attached for filing the Alliance for Affordable Energy's Request For Leave to file comments, and our Comments in the above mentioned docket. The original, and three (3) copies, along with the facsimile transmission fee, will be sent to the Commission within five days.

Respectfully submitted,

Logan Burke
Executive Director
Alliance for Affordable Energy

**BEFORE THE
LOUISIANA PUBLIC SERVICE COMMISSION**

**LOUISIANA PUBLIC SERVICE
COMMISSION, EX PARTE**

DOCKET NO. R-31106

**IN RE: RULEMAKING TO STUDY THE POSSIBLE
DEVELOPMENT OF FINANCIAL INCENTIVES
FOR THE PROMOTION OF ENERGY
EFFICIENCY BY JURISDICTIONAL
ELECTRIC AND NATURAL GAS UTILITIES.**

**REQUEST FOR LEAVE TO FILE COMMENTS AND COMMENTS OF
THE ALLIANCE FOR AFFORDABLE ENERGY**

The Alliance respectfully requests to submit comments into the record of the above-captioned docket, based on the following grounds:

1. On April 13, 2017, the Commission issued a General Order in R-31106 to
“modify the requirements of the Quick Start such that participating utilities allocate at least 50% of annual program budgets to programs for which eligibility is limited to school districts, local government, state agencies, higher education institutions, or any other public entity.”

2. Both the above mentioned Order dated April 13, 2017, Attachment A, and the originating Order for the Quick Start Phase, Dated February 10, 2014 state:

“Utilities shall not comingle residential and non-residential Quick Start EE rate rider income. This program shall prohibit cross allocation between residential and non-residential customers.”

3. Amended *Energy Efficiency Program Guidelines for Political Subdivisions*, filed by Commission staff on May 24, 2017, describe a process of application that directs program administration away from Third Party Administrators, contracted by each utility to administer fully budgeted programs, and to Commission staff. In addition, the guidelines state that a list of final projects will be submitted to the Commission for a decision at the July 26th, 2017 meeting.

Therefore, the Alliance requests leave to submit these comments ahead of the July 26th meeting.

Comments

Parties to this docket have expressed confusion and frustration with the conflicting language in the orders, and request clarity ahead of commission votes on project selection. Of greatest concern to the Alliance for Affordable Energy is the shift of program administration from utilities and contracted third party administrators to the commission, which creates uncertainty related to fully funded budgets and, most importantly, cost effectiveness across program years as no threshold for cost-effectiveness is included in the guidelines for application. In addition, the possibility of utilities halting all programs as a result of conflicting language, and an inappropriate co-mingling of ratepayer funds should be addressed as soon as possible.

To be clear, the Alliance is in full support of programs that allow municipalities, schools, and other governmental agencies to reduce their energy waste, reduce bills, improve building performance, and contribute to economic development and market transformation. However, we believe the integrity of the program has been subverted and has cast uncertainty on these programs in a broad way that may undermine the much needed market-transformation and cost-effectiveness of Demand Side Management in the long term.

We request the parties to this docket be allowed to convene a working group, led by the Commission's staff and consultants, to find resolution to the conflict. In the interim, all utility programs should be allowed to continue, as designed in initial Quick Start Phase, with budgets allocated to the ratepayers who have funded them, allowing continuous programming for ratepayers and market certainty for trade allies, administrators, and utilities, and as described in the Commission's April, 2017 Order,

"maintain the Phase I Quick Start process, pending the finalization of long term rules in Phase II."

Respectfully Submitted,



Logan Atkinson Burke
Executive Director

Alliance for Affordable Energy
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New Orleans, LA 70125
504-208-9761

CERTIFICATE OF SERVICE

I hereby certify that I have, this 21st day of July, 2017, served copies of the foregoing pleading upon all other known parties of this proceeding, by electronic mail.

A handwritten signature in black ink, reading "Logan A. Burke", is written over a horizontal line. The signature is cursive and includes a middle initial "A".

Logan Atkinson Burke

Alliance for Affordable Energy